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NOTICE TO READERS: An * indicates material not disseminated in electronic form.

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Japan

Leaders, Officials React to USSR Developments

Kaifu Orders Study

OW1908061291 Tokyo KYODO in English 0552 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 KYODO—Prime Minister Toshiki Kaifu ordered the Foreign Ministry Monday to gather "all information available" on the surprise change in the Soviet leadership.

Kaifu issued the order at an emergency meeting of all cabinet ministers and senior officials of the governing Liberal Democratic Party (LDP) following the reported replacement of Soviet President Mikhail Gorbachev by his hard-line deputy, Vice President Gennadiy Yanayev.

At the meeting to consider Japan's initial response, a senior LDP official requested the ministry to see if the issuance of emergency declaration throughout the Soviet Union points to a "fairly rough" political development, indicating concern about a possible coup d'etat.

Foreign Minister Taro Nakayama pledged to report the results of his ministry's research to the party leadership "around the clock."

The LDP's Policy Research Council Chairman Mutsuki Kato asked whether the replacement came as the result of "a hard-hearted response to President Gorbachev by the Western powers" at the summit meeting of the group of seven major industrial democracies in London in July.

He apparently was referring to the summit nations' refusal to give full-fledged financial assistance to the Soviet Union despite Gorbachev's repeated requests for help in lifting his troubled country out of an economic quagmire characterized by chronic shortage of necessities.

Finance Minister Ryutaro Hashimoto replied, "I could not predict today's development."

LDP Secretary General Keizo Obuchi expressed concern that the leadership change will reverse the Soviet Union's pursuit of democratic reforms, which has been part of Gorbachev's administration.

Japan "will suffer troubles if the perestroyka policy is reversed," he told reporters at a news conference.

"Honestly speaking, I suspect conservatives might have stood up in rebellion" against Gorbachev, he said.

He went on to say, that although the TASS Soviet news agency reported Gorbachev was replaced because of health reasons, he suspected that there may have been some sort of power struggle, such as a coup.

Chief Cabinet Secretary Misoji Sakamoto told reporters Japan will react to the emergency in the Soviet Union by coordinating its response with its foreign allies, such as the United States.

Japan "will act on the basis of international coordination," he told a group of reporters in the Diet building.

Foreign Minister Taro Nakayama appealed for the Soviet Union to retain political stability.

"I want the Soviet Union to remain stable as a neighboring country," he said.

Nakayama said the government will quickly do its utmost to contact the Moscow government and the Soviet Communist Party to check the reported turbulence in the Soviet Government.

Nakayama Urges Continued Reforms

OW1908114891 Tokyo KYODO in English 1129 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 KYODO—Foreign Minister Taro Nakayama on Monday said Japan hopes Soviet President Mikhail Gorbachev's loss of power to communist hardliners will not result in a reversal of Moscow's policies of political and economic reform.

Nakayama made the remarks to reporters following the seizure of power from Gorbachev by hardliners led by Vice-President Gennadiy Yanayev and the declaration of a six-month state of emergency over parts of the Soviet Union.

"The Japanese Government sincerely hopes there will be no adverse effects on the policies of perestroyka, glastnost and new-thinking diplomacy pursued under President Gorbachev," Nakayama said.

In his prepared statement, the Foreign Minister refrained from passing judgment on the turn of events, calling it "entirely an internal affair of the Soviet Union."

But without prompting from reporters, Nakayama quoted Russian Prime Minister Ivan Silayev as saying in a press conference earlier in the day that what took place in the Kremlin was "illegal and unjustifiable."

A top Foreign Ministry official indicated that Gorbachev was most likely overthrown by hardliners opposed to his policies.

The official based his judgment on the fact that Gorbachev has issued no public comment, that a state of emergency has been declared, and that armored vehicles have been active in the capital.

He also noted that whatever happened had preceded by only one day the scheduled signing of a new union treaty.

Nakayama refrained from commenting on whether Japanese and other assistance pledged to Moscow at the recent London summit of the seven major industrialized democracies might be suspended.

But a top Foreign Ministry source said Japan would have to make its judgment on the basis of the policies adopted by the new leadership in Moscow.

Nakayama stressed that Japan will continue demanding the transfer of four islands seized from it by the Red Army at the end of World War II before entering into full-fledged ties with the Soviet Union.

The Foreign Minister said Japanese diplomats in Moscow have requested the Soviet Foreign Ministry to ensure the safety of Japanese in the Soviet Union, which include 6 permanent residents and 957 long-term residents.

Spokesman Comments on Change

OW1908084991 Tokyo NHK General Television Network in Japanese 0814 GMT 19 Aug 91

[Text] Regarding the political change in which Vice President Yanayev succeeded Gorbachev as president in the Soviet Union, Chief Cabinet Secretary Sakamoto commented as follows:

[Begin Sakamoto recording] Regarding the situation now taking place in the Soviet Union, there are many unclear points. I think that it is proper for me to refrain from making any concrete comment on the background and the present situation in the Soviet Union until the situation there comes to light. However, the government will watch closely, with the greatest attention, how the situation in the Soviet Union from now on develops. The government is now working on collecting information and analyzing it. The government strongly hopes that the basic and positive line of perestroyka and new-thinking diplomacy, that the Soviet Union has thus far promoted, will not be affected. [end recording]

Cabinet Secretary's Statement

OW1908095491 Tokyo KYODO in English 0912 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 KYODO—Japan urged the Soviet Union on Monday to continue progress toward economic reforms and open diplomacy following the announcement that president Mikhail Gorbachev was no longer running the country.

"I strongly hope that the (leadership change) will not influence the positive policies of perestroyka and new thinking diplomacy," Chief Cabinet Secretary Misoji Sakamoto said in a prepared statement.

Sakamoto told a news conference that Japan has a "deep interest" in the unexpected leadership change in the Soviet Union, but declined to comment further until more information becomes available.

Prime Minister Toshiki Kaifu was informed that Gorbachev had been replaced during his meeting with leaders of the ruling Liberal Democratic Party.

Kaifu said he was not prepared to comment immediately but that he has asked the Foreign Ministry to prepare a full analysis of the situation.

Sakamoto told the news conference the government would also be gathering information about Gennadiy Yanayev, 53, who replaced Gorbachev as acting president, according to a statement issued by the Communist Party leadership.

The statement also said the formation of an emergency committee to govern the country and a six-month state of emergency called in "individual localities" does not mean a renunciation of the broad reforms.

Yanayev was appointed vice president in December after being elected to the Communist Party Politburo and Secretariat in July 1990.

During a visit to Japan in October, Yanayev said he believed a 1956 joint declaration should be regarded as a starting point for negotiations on the four islands north of Japan that Tokyo insists the Soviet Union before the two countries can sign a peace treaty.

The 1956 agreement provided for the transfer of two of the islands—Shikotan and the Habomai group—to Japan. The Soviets, however, have disregarded the agreement.

Kaifu had called on Gorbachev to recognize the validity of the 1956 declaration during the Kremlin leader's historic visit to Tokyo in April, but to no avail.

The islands have been occupied by the Soviet Union since the close of World War II.

Foreign Ministry officials expressed concerned that the situation in the Soviet Union might adversely affect negotiations on resolving the territorial dispute and concluding a peace treaty.

"We hope it will not exert any kind of influence," said one official, who spoke on condition of anonymity.

Officials said Japanese diplomats in Moscow inquired about the new political situation at the Soviet Foreign Ministry, which said it had no comment beyond what has been carried in the official press.

Several Japanese leaders expressed surprise at Gorbachev's ouster and concern that the change could indicate a reversal of his reform policies.

The official Soviet explanation was that Gorbachev left his post due to "poor health." Gorbachev, who had been vacationing in the Crimea since August 4, on Tuesday was to have signed a new Union treaty designed to give broader powers to 15 Soviet republics.

Hardliners reportedly opposed the treaty.

"I suspect conservatives might have stood up in rebellion," LDP [Liberal Democratic Party] Secretary General Keizo Obuchi told reporters.

Japan "will suffer troubles if the perestroyka policy is reversed," he said, referring to gorbachev's policies of openness and reform.

Finance Minister Ryutaro Hashimoto said he had not anticipated the upheaval.

LDP Policy Research Council Chairman Mutsuki Kato suggested that the West's failure to offer major financial assistance when Gorbachev met with leaders of the seven richest democratic nations in London last month could have unleashed the apparent reprisal.

Japan and the United States said at the time that they staunchly opposed massive assistance unless it would clearly help bring about a market economy.

Foreign Minister Taro Nakayama appealed for political stability in the Soviet Union, Japan's neighbor to the northwest.

Japanese diplomats in Moscow reported seeing three armored vehicles rolling through a square near Central Moscow at about 8:30 A.M. local time.

The officials said Japan has not yet received word about whether Russian Federation Prime Minister Ivan Silayev will cancel his visit to Japan, scheduled for August 21-28.

Kaifu, Bush Confer

OW1908152991 Tokyo KYODO in English 1506 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 KYODO—U.S. President George Bush and Prime Minister Toshiki Kaifu on Monday shared regret over Soviet President Mikhail Gorbachev's loss of power to communist hardliners, and agreed there should be "no return to the cold war days," Foreign Ministry officials said.

Officials said the two leaders expressed the mutual view in a 15- minute telephone conversation, which was initiated by Bush after talks with other Western leaders.

Bush was quoted as saying that the "coup d'etat" occurring in the Kremlin earlier in the day was outside the bounds of the Soviet Constitution. He added that he does not want to return to cold war relations, according to officials.

Officials said Bush also told Kaifu he hopes the process of reform in the Soviet Union will not come to a halt. The U.S. leader said he doubts that would happen, but added that the future course of events is unpredictable.

Bush stressed the importance of the new Soviet leadership's respecting agreements reached between the two governments, officials said.

Officials quoted Kaifu as responding in agreement with Bush that there should be no return to the cold war.

He said Japan takes note of a passage in the declaration issued by new Soviet leader and former Vice President Gennadiy Yanayev to the effect that reforms will continue.

Officials said the two leaders did not discuss a suspension of economic cooperation with the Soviet Union. Bush told reporters in Washington earlier that he and European leaders had agreed to take such action.

Soviet Envoy Summoned

OW1908142891 Tokyo NHK General Television Network in Japanese 1304 GMT 19 Aug 91

[Text] [Unidentified reporter] European and Oceanic Bureau Chief Hyodo of the Foreign Ministry summoned Soviet Charge d'Affaires to Japan Kuznetsov to the Foreign Ministry just a while ago. At the meeting with the Soviet charge, the Foreign Ministry official asked for explanations on the latest situation in the Soviet Union. Hyodo also said the Japanese Government hopes that perestroyka and the new-thinking diplomacy that have been promoted by President Gorbachev will not subside. Hyodo then asked the Soviet charge d'affairs to relay this hope to the Soviet Government.

Regarding the downfall of President Gorbachev, the Foreign Ministry sees it not as a simple rollback by conservatives in the Soviet Union but, rather, as an attempt to block the signing of a new Union treaty by conservatives who are concerned about a further weakening of the central government's authority and maintain a sense of crisis about the Communist Party's waning authority.

So far, the Japanese Government has rated President Gorbachev highly for his role in easing East-West tensions, and it views President Gorbachev's downfall as a serious blow to peace and stability within the international community. The Foreign Ministry plans to pay close attention to future developments in the Soviet Union. This report has come from the Foreign Ministry.

MITI Official on Reforms

OW1908072591 Tokyo KYODO in English 0711 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 KYODO - A top official at the Ministry of International Trade and Industry (MITI) said Monday following Soviet reports of President Mikhail Gorbachev's replacement that the ministry hopes the Soviet perestroika policy and economic reforms will be maintained.

Yuji Tanahashi, vice minister of international trade and industry, expressed his shock at the news at a regular press conference.

The ministry has not received any official notice from the Soviet Union, he said, adding it is now trying to collect further information on Gorbachev's moves.

"The news was surprising because it was not a long time ago that the Group of Seven (G-7) industrialized countries and Soviet President Gorbachev met in the London Summit and declared the Western support for the Soviet perestroyka," said Tanahashi.

MITI will work in coordination with the Foreign Ministry and the Finance Ministry to gather background information.

Japan's policy on economic assistance to the Soviet Union would have to be reviewed, depending on the situation and the attitudes of other countries like the United States and the European nations attitude, he added.

Yoshihiro Hamaguchi, vice minister of agriculture, forestry, and fisheries, said the ministry directed its related bureaus to collect further details about the reported departure of Gorbachev.

"The situation is reportedly very grave, but how things really are remains to be seen," he told a press conference.

Meanwhile, a high-ranking official of the Fisheries Agency said the event will not affect the long history of bilateral ties in fisheries.

Japan and the Soviet Union have been working on a fisheries joint venture within the Soviet 200-nautical mile fishing waters.

Finance Ministry Official on Yanayev

OW1908043391 Tokyo KYODO in English 0422 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 KYODO—A senior Finance Ministry official expressed concern Monday over the choice of Vice President Gennadiy Yanayev as the new Soviet Union president.

Yanayev succeeds Mikhail Gorbachev, who the Soviet TASS NEWS AGENCY said stepped down for health reasons.

The official, who declined to be named, told reporters Yanayev has been regarded as a conservative and his assumption of the presidency will inevitably trigger a rollback of reforms.

"Such a development warrants grave concern," the official said.

The official said the Finance Ministry will maintain a close watch on future political and economic developments in the country.

The ministry's Securities Bureau, meanwhile, said it will wait and watch movements on the stock market for the time being. Officials at the office said Gorbachev's resignation is responsible for the splurge of selling on the market and there has been no change in the fundamental factors of the economy.

The officials said the ministry would take measures if the domestic economy is threatened by such developments in the Soviet Union as the outbreak of political unrest and the collapse of the federal government.

Finance Ministry To Set Up Group

OW1908114991 Tokyo KYODO in English 1051 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 (KYODO)—Finance Minister Ryutaro Hashimoto said Monday that his ministry will set up a special group to collect and analyze information about the situation in the Soviet Union in the wake of the removal of President Mikhail Gorbachev.

Hashimoto told a hastily arranged press conference that the confusion in the Soviet Union cannot be expected to end any time soon.

"Nobody can say for sure at this moment in what direction the Soviet situation is headed," he said.

He refused to comment on the problems of Western aid to the Soviet Union or the country's special associate membership in the International Monetary Fund (IMF).

But a government source said the Soviet Union's special participation in the IMF will probably be shelved for a while.

The source also said if there is any setback in the perestroyka reform program the Group of Seven (G-7) nations might freeze their decision on technological or emergency assistance to the Soviet Union.

The G-7 countries—the United States, Japan, Germany, Britain, France, Italy, and Canada—agreed at the London Summit in mid-July on a six-point plan to help the faltering Soviet economy.

They include extending to Moscow "special association" with the IMF, urging all international organizations to help Moscow, Western technical assistance, and regular visits by G-7 heads and finance ministers to Moscow.

The government source said, "the G-7 nations are likely to refrain from making such visits for the time being."

Removal 'May Affect' Food Aid

OW1908085291 Tokyo KYODO in English 0836 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 KYODO—The removal of Soviet President Mikhail Gorbachev may affect talks on the disbursement of emergency food aid pledged by the Export-Import Bank of Japan, bank officials said Monday.

The government-financed bank earlier promised to provide 100 million dollars in emergency loans to the Soviet Union for the purchase of food and has been negotiating with the Soviet side on the terms of the loans.

The officials said they feared the ongoing talks might be affected by political turmoil in the Soviet Union caused by Gorbachev's removal.

Further on Economic Aid

OW1908115491 Tokyo KYODO in English 1040 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 (KYODO)—The sudden political change in Moscow may force Japan to overhaul its economic assistance policy toward the Soviet Union, government sources said Monday.

Soviet President Mikhail Gorbachev was removed from office and replaced by conservative Vice President Gennadiy Yanayev in an apparent coup Monday, according to Soviet reports from Moscow.

Government officials believe that Moscow's shift toward a market economy and its political and economic reforms initiated by Gorbachev will inveitably be reversed, the sources said.

The government particularly took note of the fact that Gorbachev's fall took place only a day before the scheduled signing of a new union treaty between the Kremlin and Soviet republics.

"It is inevitable that Japan's program for technological assistance to the Soviet Union, which has already been set in motion, may be postponed or suspended," a Ministry of International Trade and Industry (MITI) official said.

Japan and the Soviet Union signed memoranda calling for Japan's assistance in 15 technological fields when Gorbachev made his first official visit to Japan last April.

Under the agreement, Japan has put into effect its assistance to the Soviet Union in such fields as distribution, transportation, and training of Soviet engineers to ensure safe operations at atomic power facilities.

The Japanese Government also prepared to arrange a private bank loan totaling 350 million dollars to help Moscow pay for trade debt to Japan.

Tokyo, however, withheld full-scale economic assistance to Moscow pending the settlement of a territorial dispute over four North Pacific islands off Japan's northernmost main island of Hokkaido.

Gorbachev's sudden fall has made it hard for Japan to support Moscow's transition to the market economy, the sources said.

Impact on Aviation Viewed

OW1908130691 Tokyo KYODO in English 1101 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 KYODO—Vice Transport Minister Toru Nakamura on Monday expressed his concern about the imminent impact of Soviet President Mikhail Gorbachev's removal on civil aviation passing over Siberia.

Asked at a press conference about the impact of political changes in the Soviet Union, Nakamura said, "since we cannot find out what is happening (in Moscow) at the moment, it's hard to tell of any influence right now."

Nakamura noted, however, the impact on the Siberian air route might be an urgent problem.

"There has been found to be nothing wrong so far, while we are trying to see carefully how the situation is developing and whether the Soviet's control service may get in trouble," Nakamura said.

Asked about the impact on Japan's distribution assistance to the Soviet Union and negotiations to open a ferry route between the two nations, Nakamura said, "after taking some more time to see developments, we will consider actions to be taken."

Officials Indicate Expanded Russian Exchanges

OW1808085191 Tokyo KYODO in English 0654 GMT 18 Aug 91

[Text] Tokyo, Aug. 18 KYODO—Japan and the Russian Republic are likely to issue a joint statement on expanded direct exchanges during Premier Ivan Silayev's visit to Japan later this month, Japanese Government sources said Sunday.

The sources see the august 21-28 visit by Silayev as a chance to discuss economic cooperation in the Soviet Far East and further augment contacts between Tokyo and the largest of the Soviet republics.

Silayev is scheduled to meet with Prime Minister Toshiki Kaifu and Foreign Minister Taro nakayama as well as visit Hokkaido and Oita Prefectures, which jointly with the Foreign Ministry invited the Russian delegation.

An anticipated joint statement will likely emerge from Silayev's discussions with Kaifu and Nakayama in line with the joint communique issued in April during the Japan visit of Soviet President Mikhail Gorbachev.

Responding to questions by KYODO NEWS SERVICE last week, Silayev expressed the republic's willingness to act as an intermediary between Tokyo and the Kremlin in the decades-old territorial dispute over Soviet-held islands off Hokkaido, northern Japan.

However, the Japanese sources said talks with Silayev will likely focus on economic issues and reiterated

Japan's intention to negotiate with the Soviet central government on the territorial dispute despite Russia's claims to jurisdiction over the islands.

Group Leaves To Visit Graves on Soviet Islands

OW1908014591 Tokyo KYODO in English 0042 GMT 19 Aug 91

[Text] Kushiro, Hokkaido, Aug. 19 KYODO—A group of 125 Japanese left Kushiro by ship Monday morning to visit their family graves on the Soviet-held Shikotan and Etorofu Islands off Hokkaido.

The group is the first this year and the largest ever to get permission to pay homage to the Japanese graves on northern islands, which Japan claims.

The islands and two others have been held by the Soviet Union since the end of World War II.

The group aboard the 4,990-ton Seiun Maru, a Transport Ministry training ship, will visit the two islands and return to Nemuro, Hokkaido, on August 24.

The visitors will hold memorial services for their relatives buried on the islands and meet with local islanders during the visit.

Two similar groups will follow later this month. They will leave Nemuro on August 26 for Kunashiri and the Habomai groups to visit their family graves there.

Tokyo To Reject DPRK Inspection Conditions

OW1708050491 Tokyo KYODO in English 0443 GMT 17 Aug 91

[Text] Washington, Aug. 16 (KYODO)—Japan and the United States have agreed to reject any preconditions made by North Korea for international inspection of its nuclear facilities, a Japanese senior diplomat said Friday.

Hiroshi Ota, the Japanese Foreign Ministry's official in charge of scientific affairs, told Japanese reporters the agreement was reached during a meeting Thursday with Richard Kennedy, special adviser to the U.S. State Department in charge of nonproliferation policy.

Pyongyang has demanded a legal assurance by Washington not to attack North Korea with nuclear arms and a removal of alleged U.S. nuclear weapons deployed in rival South Korea as preconditions for accepting inspections by the International Atomic Energy Agency (IAEA) of its nuclear facilities.

The United States neither confirms nor denies it has nuclear weapons in South Korea.

In mid July, North Korea agreed to the text of a nuclear safeguards agreement with the IAEA providing for inspection of the facilities and is expected to sign the accord in September.

However, it is not clear whether Pyongyang has dropped its demand on the United States.

Japan and the U.S. will urge North Korea to fully comply with the safeguards agreement at an IAEA board of directors meeting in Vienna on September 11-13, Ota said.

North Korea signed the Nuclear Nonproliferation Treaty in 1985, but had refused to sign the safeguards pact required under the treaty.

Spokesman Remarks on U.S. Relations, WWII

OW1708092691 Tokyo KYODO in English 0851 GMT 17 Aug 91

[Text] Tokyo, Aug. 16 KYODO—Government spokesman Nobuo Ishihara on Saturday defended Thursday's remarks on Japan's World War responsibility regarding its attack on Pearl Harbor for "not justifying" the assault.

"I do not have any intention to justify Japan's attack on Pearl Harbor," said Ishihara, deputy chief cabinet secretary, in a telephone interview with KYODO NEWS SERVICE.

Ishihara said, "I am saddened that the true intentions behind my comments were misunderstood."

"I suspect there was leeway for different policy options for leaders of those days to prevent the outbreak of the war. I intended to say the nations involved should reflect (on the fact) that they could not prevent the war," he said.

"It is a matter of course that the war itself was not good and it was my true intention to say that the nations should reflect that they could not avert it.

"Yesterday, there was an inquiry from the chief of the Far East Bureau of THE WASHINGTON POST and I explained my remarks and got his understanding. It is not my wish that my remarks might mar Japan- U.S. relations."

Asked whether Japan should apologize to the United States on the 50th anniversary of the Pearl Harbor attack, he told reporters Thursday, "the entire world is responsible for the war."

To a follow-up question on whether the U.S. should also apologize for the war, KYODO's English news service quoted Ishihara as saying yes.

"Because war could not be avoided, all those involved should reflect.... It will take tens or hundreds of years before the correct judgment is delivered on who is responsible for the war," he said Thursday.

He made the comments after Honolulu Mayor Frank Fasi asked U.S. President George Bush to invite senior Japanese officials to the ceremony marking the 50th anniversary of the attack on December 7, 1941, if they apologize for starting the war.

Ishihara's remark immediately stirred up an international outcry and provoked critical U.S. and South Korean news reports, which interpreted them as revealing the lack of remorse on the part of the Japanese Government for the war.

U.S. Base Land for Expropriation Revealed

OW1408035891 Naha OKINAWA TIMES in Japanese 13 Aug 91 Morning Edition p 2

[Text] Referring to the issue of land to be expropriated for use by the U.S. Armed Forces after May 1992, the Naha Defense Facilities Administration Bureau [DFAB] on 12 August revealed that the land to be commandeered will amount to about 134,000 square meters in sites on 13 facilities and that the land belongs to 591 people. The figures represent a decrease from those submitted to the Prefectural Committee for Land Expropriation earlier, and this means that some of the landowners who had previously refused to enter into leasing contracts on their land have since concluded "provisional contracts" with the DFAB. Every one of the owners of the land in Camp Shields has signed contracts.

Expropriation measures had been planned originally for 14 facilities, but they will now apply to 13—Iejima Auxiliary Airstrip, Kesaji Communications Station, Camp Hansen, Senaha Communications Facility, Kadena Ammunition Dump Area, Torii Communications Facility, Kadena Air Base, Camp Kuwae, Camp Zukeran, Futenma Air Station, Makiminato Supply Depot Area, Naha Port Facility, and the Army Oil Storage Facility.

The 591 landowners are broken down into 72 landowners who have objected to signing such contracts from the beginning and 518 antiwar group landowners who have bought one tsubo [3.954 square yards] each and a total of about 670 square meters in an area of Futenma Air Station.

The DFAB, while taking the legal steps for expropriation, is continuing with its "persuasion operations" on the uncomplying landowners.

Landowners and Land Areas To Be Expropriated

Facility Name	Location	No. of Owners	Area in 1,000 meters
Iejima Auxiliary Airstrip	Ie-son	1	2
Kesaji Communications Station	Higashi-son	1	29
Camp Hansen		17	13
Senaha Communications Facility	Yomitan-son	3	3
Kadena Ammo Dump Area	Yomitan-son	3	17
Torii Comm Facility	Yomitan-son	2	3
Kadena Airbase		6	17
Camp Kuwae	Chatan-cho	2	4
Camp Zukeran	Chatan-cho	4	7
Futenma Air Station	Ginowan City	532	13
Makiminato Supply Depot Area	Urasoe City	2	8
Naha Port Facility	Naha City	17	17
Army Oil Storage Faciltiy	Chatan-cho	1	2
Total		591	134

Kaifu Meets South Korean Parliamentary Speaker

OW1908115391 Tokyo KYODO in English 1002 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 KYODO—The speaker of South Korea's Parliament told Prime Minister Toshiki Kaifu on Monday that North Korea appears to be intent on establishing relations with Japan and the United States before it shakes hands with South Korea.

Pak Chun-kyu, speaker of South Korea's National Assembly, said that he told his North Korean counterpart during talks at the demilitarized border village of Panmunjom that North and South Korea should shake hands first, and then ask other countries to join them, a Foreign Ministry official said.

North Korea appears to be placing a priority on ties with Japan and the United States, to the exclusion of South Korea, Pak was quoted as saying.

Pak, in a courtesy call at Kaifu's official residence, added that relations between Tokyo and Seoul are solid, and there is "nothing to worry about," the official said.

Japan and North Korea are to resume talks on normalizing relations in Beijing later this month. It will be the fourth round since the talks were launched in January.

Kaifu told his visitor that Japan welcomes the simultaneous admission of the two Koreas to the United Nations, expected to be formally approved this fall.

He has also instructed negotiators handling talks with Pyongyang to do a "proper" job.

Japan has repeatedly said it will not allow its discussions with Pyongyang to interfere with the talks between the two halves of the Korean peninsula.

Pak is heading a parliamentary delegation on a visit here through Wednesday at the joint invitation of the heads of Japan's two houses of parliament.

Romanian Economics Minister Arrives in Tokyo

OW1808102591 Tokyo KYODO in English 0948 GMT 18 Aug 91

[Text] Tokyo, Aug. 18 KYODO—Eugen Dijmarescu, Romania's minister of state for economy and finance, arrived Sunday in Tokyo for an eight-day unofficial visit to Japan.

Dijmarescu, who is in charge of economic reforms in the formerly communist nation, is scheduled to meet with Eichi Nakao, minister of international trade and industry, officials of the Federation of Economic Organizations, and business leaders.

He also hopes to have talks with Prime Minister Toshiki Kaifu and Finance Minister Ryutaro Hashimoto, but Foreign Ministry sources said scheduling may prove difficult due to the start next week of Diet Budgetary Committee deliberations.

Romanian Foreign Minister Adrian Nastase visited Japan on August 4-9, during which Tokyo announced a number of economic cooperation plans with the East European country.

Telecommunications Liberalization Viewed at Talks

OW1908102291 Tokyo KYODO in English 0818 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 KYODO - The telecommunications ministers of Japan and Germany agreed Monday to join forces for liberalization of the telecommunications market in the Uruguay Round of multilateral trade talks within this year, Japanese officials said.

The officials said the agreement was reached at a meeting between German Posts and Telecommunications Minister Christian Schwarz- Schilling and Japanese counterpart Katsutsugu Sekiya.

Sekiya told Schwarz-Schilling that Japan's leading domestic and international telecommunications companies, Nippon Telegraph and Telephone Corp. (NTT) and KDD, now are studying ways of allowing foreign investment in their companies, the officials said.

Schwarz-Schilling said the German Government also is studying revision of relevant laws keeping foreign firms from investing in the country's telecommunications sector, they said.

The Uruguay Round under the General Agreement on Tariffs and Trade (GATT) calls for liberalization of the telecommunication industry in each participating country.

LDP Secretary General Leaves for Beijing

OW1708033791 Tokyo KYODO in English 0244 GMT 17 Aug 91

[Text] Tokyo, Aug. 17 (KYODO)—Keizo Obuchi, secretary general of the ruling Liberal Democratic Party (LDP), left Tokyo on Saturday for Beijing for talks with Chinese Communist Party chief Jiang Zemin.

In his meeting with the Chinese leader, Obuchi is expected to seek an understanding on a Japanese Government plan to send Self- Defense Forces (SDF) overseas to join the United Nations peacekeeping operations.

He is expected to return home Sunday after meeting with Chinese Vice Premier Zhu Rongji.

Finance Ministry Outlines Securities Bill

OW1708070791 Tokyo KYODO in English 0344 GMT 17 Aug 91

[Text] Tokyo, Aug. 17 (KYODO)—Both brokerages and their clients involved in loss compensation would be punished under a revised law governing securities transactions, according to an outline of the Finance Ministry's draft bill obtained Saturday.

The draft would bar brokerages from paying compensation for losses suffered on securities markets and also bar their clients from accepting compensation, making offenders subject to penalties.

Under current law, promising to cover clients' investment losses is against the securities and exchange law. Compensating them later without an earlier promise is not illegal, but runs counter to a December 1989 Finance Ministry directive.

The ministry's proposal calls for amending the law so that brokerage houses involved in loss compensation could face a prison term of up to one year or fines of up to 1 million yen.

Those receiving compensation could be jailed for up to six months or fined up to 500,000 yen under the revised law.

Ministry sources said that they would submit the draft bill to an August 27 cabinet meeting for approval.

If approved, the bill will be sent to the current extraordinary session of the Diet, which reconvenes Monday and ends October 4.

The Finance Ministry blueprint also recommends that discretionary securities accounts be prohibited to prevent brokerage houses from reimbursing their clients for investment losses.

Such accounts give brokerages control of investment decisions and have been cited as a major factor behind the payout scandals embroiling a number of brokerages and major corporations.

In trying to assuage criticism of the current vague definition of what is loss compensation, the revised law would stipulate that loss compensation is defined as "the action of providing asset benefits in order to produce an additional profit in case that losses are suffered in securities deals or less profits are made than a certain preset amount."

The new law would allow authorities to seize the profits clients earn through compensation by brokerages or impose extra taxes on such earnings.

Firms Suspended From Bank Deals Surge 82%

OW1908102491 Tokyo KYODO in English 0831 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 KYODO—Banks suspended doing business with 757 corporate clients in July, a 82.0 percent increase from a year earlier, the Federation of Bankers Associations of Japan said in a monthly report released Monday.

July was the 10th consecutive month in which banks increased the number of corporations they dropped as clients.

The report, covering corporations capitalized at 1 million yen or more, also shows that the amount of debts held by the companies suspended from bank deals soared 330 percent to 288.5 billion yen, the 11th straight monthly increase.

Analyzing the July data, federation officials said the increase in the suspended cases and related liabilities was due to the large number of suspensions involving debts of 1 billion yen or more. During the month, the number of such cases totaled 35 companies, leaving debts of 212.5 billion yen.

Among other findings, the report shows the number of real estate concerns suspended from bank deals scored a 4.28-fold jump, a bigger increase than any other business categories.

4 Small Securities Firms Fined Y3 Million Each

OW1908120091 Tokyo KYODO in English 0935 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 KYODO—The Tokyo Stock Exchange (TSE) said on Monday it has imposed a fine of 3 million yen on each of four small Japanese securities companies to "punish" them for compensating favored clients for investment losses.

For "violating the principle of trust" in securities transactions under the TSE Charter, the TSE has penalized 17 securities companies with fines of the same amount, except Nomura Securities Co. and Nikko Securities Co., which were fined 5 million yen each.

The four small brokerages are Naigai Securities Co., Aizawa Securities Co., Meiko Securities Co., and Izumi Securities Co. The TSE is also considering sharply raising the maximum fine, which was raised in June to 5 million from 500,000 yen, TSE officials said. A decision will be made on Wednesday at a board of governors meeting, they said.

House of Councillors Member Motomura Dies

OW1708040091 Tokyo KYODO in English 0241 GMT 17 Aug 91

[Text] Tokyo, Aug. 17 (KYODO)—Kazuki Motomura, a ruling Liberal Democratic Party (LDP) member of the House of Councillors, died of heart failure on early Saturday morning at a hospital in Beppu, Oita Prefecture. He was 55.

He was elected to the Upper House in 1986 from the Fukuoka electral district.

With his death, the LDP now has 114 seats in the 252-member Upper House, while opposition parties and minor groups hold 137.

According to electoral regulations, a by-election must be held for Motomura's seat within 40 days of the home affairs minister's notification to the Fukuoka District.

2-Year Contract Signed With Algerian Oil Company

OW1908050891 Tokyo KYODO in English 0330 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 (KYODO)—The government-backed Japan National Oil Corp. said Monday it has signed a two-year contract with the Algerian national oil enterprise Sonatrach to conduct seismic oil and natural gas exploration in Algeria.

The exploration will take place in a 33,000-square-kilometer area in the Sahara Desert in southwestern Algeria, officials said.

The Algerian Government is preparing legislation to give a tax break to foreign oil enterprises to encourage investment in the country.

Power Companies To Use Plutonium in Reactors

OW1908020891 Tokyo KYODO in English 0136 GMT 19 Aug 91

[Text] Tokyo, Aug. 19 KYODO—The Tokyo and Kansai electric power companies will use plutonium in light-water reactors in their nuclear power plants, the first commercial use of plutonium in Japan, company sources said Monday.

The decision by the two electric companies follows the Atomic Energy Commission's August 2 approval of a plan to develop the use of plutonium in light-water reactors.

Under the plan, 12 light-water reactors with capacity to generate one million kilowatt hours will be fueled by 50 tons of plutonium early in the next decade. The plutonium will be produced at a spent nuclear fuel reprocessing plant.

The reprocessing plant will be built in Rokkasho, Aomori Prefecture, as part of a government policy of completing a nuclear-fuel cycle in which uranium is used at nuclear power plants and then reprocessed into plutonium for use again as a nuclear fuel.

Tokyo Electric Power Co. plans to use mixed oxide fuel, a mixture of uranium and plutonium, in one light-water reactor at its No. 2 Fukushima nuclear power plant in Fukushima Prefecture. Kansai Electric Power Co. is considering using the mixed oxide fuel at Takahama nuclear power plant in Fukui Prefecture, the sources said.

The two companies will launch negotiations with people living near the nuclear plants to seek their approval for the use of plutonium, which could be a lengthy and difficult process.

The companies plan to begin operation of plutonium reactors in three or four years.

Mongolia

Government 'Carefully' Studies Soviet Situation

HK1908094591 Hong Kong AFP in English 0856 GMT 19 Aug 91

[Text] Beijing, Aug 19 (AFP)—Former Soviet satellite Mongolia was carefully studying the situation in the Soviet Union following the ouster of President Mikhail Gorbachev, the Foreign Ministry spokesman said Monday.

"What will be the consequences of these developments we don't know," ministry spokesman Terbishiin Chimiddorj said by telephone. "We have to clarify the situation. We are carefully studying the situation."

But in an interview last Friday, Mr. Chimiddorj cautioned that "everything that happens in the Soviet Union today may be repeated in Mongolia."

Mongolia was a Soviet satellite for six decades until it held its first multiparty elections last year and launched efforts to build a democracy and to privatize the economy.

Mr. Gorbachev unilaterally decided in 1989 to pull out the more than 50,000 Soviet troops stationed in Mongolia.

Liberals in the Ulaanbaatar government have warned that hardline communists, who still dominate the country sandwiched between China and the Soviet Union, might try to interrupt the moves toward democracy.

A new constitution is currently being drawn up and frictions between hardliners and liberals have emerged, Mongolian officials say.

North Korea

Gorbachev's "Transferred" Power Reported

SK1908111291 Pyongyang Korean Central Broadcasting Network in Korean 1000 GMT 19 Aug 91

[Text] In the Soviet Union, Gorbachev has transferred the full power of his presidency, an emergency decree has been issued, and the Soviet State Committee for the State of Emergency has been formed.

According to a TASS report, Mikhail Gorbachev had not been able to fulfill his duty as Soviet president for health conditions. It has thus been decided that Vice President Gennadiy Yanayev would carry out the duties of the Soviet president as of 19 August.

In the meantime, TASS has also reported that a state of emergency has been declared for the next six months and that the Soviet State Committee for the State of Emergency had been formed.

Today, TASS carried a statement by the Soviet leadership.

The statement said:

Because Mikhail Gorbachev could not fulfill his duties as Soviet president for health reasons, under Clause 127-7 of the Soviet Constitution the power of the Soviet presidency had been transferred to Vice President Gennadiy Yanayev. This has been done in order to overcome the serious and overall crises that have threatened the lives and safety of Soviet citizens: the sovereignty and territorial integrity of our fatherland, and our freedom and independence; political, ethnic, and public confrontations; and chaos and statelessness. As stipulated by the result of the plebiscite on maintaining the USSR, in consideration of the vitally important interests of our fatherland's people and all the Soviet people, we declare:

1. According to Clause 127-3 of the Soviet Constitution and Clause 2 of the Soviet law on the legal procedures of a state of emergency and in response to the demand of all the citizens that the most resolute measures be taken to prevent society from a national catastrophe; and to guarantee law and order, we institute a state of emergency in different Soviet regions for six months as of 0400 Moscow time on 19 August 1991.

2. We confirm that the Soviet Constitution and the laws of the USSR have unconditional supremacy over the entire Soviet territory.

3. To effectively manage the state and effectively implement the system of the emergency state, we form the Soviet State Committee for the State of Emergency.

The Soviet State Committee for the State of Emergency members are as follows: Baklanov, first deputy chairman of the Soviet Council of Defense; Kryuchkov, chairman of the Soviet State Security Committee; Pavlov, prime minister of the Soviet Cabinet; Pugo, minister of the

Soviet internal affairs; Starodubtsev, chairman of the Soviet Peasants Union; Tizyakov, chairman of Soviet Federation of State Enterprises and Projects of Industry, Construction, Transportation, and Communications; Yazov, minister of the Soviet Defense Ministry; and Yanayev, acting president.

4. The decision of the Soviet State Committee for the State of Emergency confirms that all sovereign organizations, managing organizations, and all the government officials and people on all of the territory of the USSR are obligated to carry it out unconditionally.

As mentioned above, Gorbachev transferred his presidential prerogative in the Soviet Union. The state of emergency has been announced. Thus, the Soviet State Committee for the State of Emergency has been formed.

Overseas Students Agree on Reunification Plan

SK1908065691 Pyongyang KCNA in English 0522 GMT 19 Aug 91

[Text] Pyongyang August 19 (KCNA)—The delegates of students in the North and the South of Korea and overseas to inter-Korean student reunification talks for an agreement on the reunification formula and for peace of the country and great national unity which was held at Panmunjom on August 15 sincerely discussed the question of defining the way of national reunification, the question of easing the tensions and ensuring peace on the Korean peninsula, the question of great national unity and independent exchange and the question of building a solidarity organization of students in the North, the South and overseas, as agreed upon at the tripartite working-level talks in Berlin, and adopted an agreement.

Following is the gist of the agreement:

1. We unanimously consider that the proposal for reunification through a confederacy based on the three principles of national reunification—independence, peaceful reunification and great national unity—is the most realistic and reasonable way of national reunification, and resolve to fight vigorously to carry it into practice.

We shall make efforts to arrange a place of independent meeting and dialogue among students in the North, the South and overseas on the basis of an agreement on the formula of reunification through a confederacy, and thereby consolidate one another's wide-range understanding and rally students organizations in the North, the South and overseas which support the three principles of national reunification —independence, peaceful reunification and great national unity—in order to upgrade it to a concrete form of solidarity.

Considering that a political consultative conference for national reunification in which the government authorities and representatives of all political parties and organizations and people of all walks of life in the North and the South will take part should be convened at an early date in order to reach a national agreement on the way of reunification, we shall struggle in concert for its realization.

2. We shall fight resolutely to ease the political and military confrontation on the Korean peninsula and achieve the independent and peaceful reunification of the country.

We shall fight jointly for the adoption of a North-South nonaggression declaration to remove the military confrontation between the North and the South, for the replacement of the DPRK-U.S. Armistice Agreement by a peace agreement, for an immediate withdrawal of U.S. troops present in South Korea and the removal of their nuclear weapons and, at the same time, for the reduction of the armed forces of the North and the South respectively to or less than 100,000 men and for the creation of a favorable peaceful environment for national reunification through phased arms reduction.

We oppose and reject the claim for a unilateral nuclear inspection of the North and strongly demand that nuclear inspection be made simultaneously of the North and the South.

For the present, we shall wage a struggle for the adoption of a bill on denuclearization of the Korean peninsula along with the signature campaign for the denuclearization of the Korean peninsula and the adoption of a North-South nonaggression declaration.

In order to wage these struggles successfully, we shall set one month from August 15 as a common peace month of students in the North, the South and overseas for the denuclearization of the Korean peninsula and the adoption of a nonaggression declaration.

3. We shall contribute to achieving great national unity through brisk independent exchange among students in the North, the South and overseas.

Independent exchange between them will be based on the three principles of national reunification—independence, peaceful reunification and great national unity—and it will be conducted as independent exchange among students through the Pan-National Alliance for the Country's Reunification (PNACR) and a solidarity organization of students to be built in future, opposing and rejecting the South Korean authorities' conception of "unified channel of dialogue".

Solidarity and unity of all departments and sectors centering around organizations of courses, departments and in regions overseas will be promoted.

Students in the North, the South and overseas will actively invite and respond to invitations and take part in functions such as great unity festival, academic festival, art festival, political forum and joint expedition on the basis of sisterly relations.

We shall actively strive to jointly proceed into the international arena.

We shall hold grand reunification festivals of students in the North, the South and overseas alternately in the North and the South annually and make this a decisive occasion in broadening the road of independent exchange among students in the North, the South and overseas.

4. We shall organize in the near future pan-national alliance of students for the country's reunification (PNASCR), a center of unity of students in the North, the South and overseas.

The PNASCR will consist of three organizations, the Korean Students Committee representing the students in the North, the National Council of Student Representatives (Chondaehyop) representing those in the South and a unified organization representing those overseas.

Its presidium will be formed with three co-chairmen each from the North, the South and overseas.

The Central Committee will be composed of more or less 25 members from the North, the South and overseas.

The system of unanimous approval will be adopted in running the meetings.

The overseas liaison headquarters will be set up in the form of joint overseas liaison headquarters of the North, the South and overseas.

The platform and rules will be adopted by a joint agreement among the North, the South and overseas through the formation of a joint small drafting committee of the North, the South and overseas. Agreeing as mentioned above, the students in the North, the South and overseas solemnly declare to the beloved motherland and the 70 million fellow countrymen that they would make and glorify the upcoming 1995 as the proud first year of a reunified country.

'No Agreement' Reached for High Level Talks

OW1608175591 Pyongyang KCNA in English 1636 GMT 16 Aug 91

[Text] Pyongyang August 16 (KCNA)—Three rounds of working-level contacts between the North and the South for the preparation of inter-Korean high-level talks were held at Panmunjom from August 5 to 16.

At the contacts views were exchanged on matters of confirming beforehand the documents to be adopted at the fourth inter-Korean high-level talks and drafting them.

The North side advanced a reasonable proposal and made all sincere efforts from the very beginning to make the fourth inter-Korean high-level talks a fruitful one.

Through the three rounds of working-level talks the North side tabled a reasonable and realistic proposal to adopt a "North-South Declaration on Nonaggression" and a "North-South Agreement on Reconciliation, Cooperation and Exchange," a most urgent requirement and important nucleus of all, which is in accord with the agenda of the full-dress talks and meets the aspirations and demand of all the fellow countrymen, and urged drafting of them.

The North side's proposal to adopt a nonaggression declaration calling for mutual non-use of arms at the forthcoming fourth inter-Korean high-level talks was a very just one taking into consideration the fact that already at the past rounds of talks this question had been discussed as an important matter and a unanimity or approximation of views had been reached between the two sides in many aspects.

The "North-South Agreement on Reconciliation, Cooperation and Exchange," along with the nonaggression declaration, is a reasonable and practical document reflecting in an overall way the questions of removing the political and military confrontation and realizing multi-faceted cooperation and exchange between the North and the South.

The North side's proposal to adopt the two documents of the "North-South Declaration on Nonaggression" and "North-South Agreement on Reconciliation, Cooperation and Exchange" mirrors its peaceloving and reunification-orientated stand to iron out misunderstanding and distrust and remove confrontation between the North and the South and pave the path for peace and reunification on the basis of national reconciliation and cooperation.

By contrast, the South side came up with the old version of "Basic Agreement for Improvement of South-North Relations" and "Agreement on Trade, Traffic and Communications" which they had already proposed at the past talks, and added an "Agreement on Nonaggression" to them.

Insisting on adopting the "Basic Agreement for Improvement of South-North Relations," the South side asserted that otherwise, a nonaggression declaration and other documents could not be adopted.

As far as the "Basic Agreement" brought up by the South side is concerned, its keynote is to "recognize the systems" of each other and, at the same time, establish "permanent liaison missions" in Pyongyang and Seoul. It is a near imitation in both the title and content of what another country had already employed when legalizing division in the '70s. It is from a to z of a separatist nature like the one which had been brought forward by the predecessor of South Korea in the early 1980s but reduced to a sheet of waste paper, branded by the people as a nation-splitting one.

The "Agreement on Trade, Traffic and Communications," too, is nothing more than one intended to get along through trade within limited framework and exchange of some visits, while maintaining the present state of division.

Although the South side brought forward the "Agreement on Nonaggression," unable to turn away from the North side's consistent demand and the demand of the people at home and abroad for an indefinite period, it is based on the "confidence-building first formula" which does not suit the reality of Korea now in a state of ceasefire, its keynote being "inspection of exercises," "exchange of information" and the like.

When it found it hard to stick to its unjustifiable proposal any longer, the South side categorically refused to draft documents of agreement, avoiding fixing titles to documents and shelving discussion as to how many documents will be adopted.

In the face of such insincere attitude of the South side the North side demanded it to make clear whether it intended to have the fourth North-South high-level talks or not, and raised even a new adjusted proposal out of a sincere desire to make the fourth talks a fruitful one, not in vain.

The North side made a flexible proposal to adopt, above all, a nonaggression declaration which has the common title among the five documents presented by the North and the South and classify those which have things in common in their content and adopt them as another document of agreement since there is not much time left till the opening of the full-dress talks.

And it proposed to continue discussing in future the differences manifested in the proposals of the two sides and reach a consensus and then modify and supplement it in an agreement.

The South side, however, brought forward "10 problems" which it described as conflicting ones contained in the proposals of the two sides and insisted on the impossible discussion of them, thus creating more obstacles.

The South side raised the problems on which it is impossible to agree then and there either in view of the time or in view of the content while refusing to agree upon things on which an agreement can be reached. This is, in the long run, a refusal to reach an agreement.

There were three contacts of working delegates for preparing the fourth North-South high-level talks, but no agreement has been reached on anything.

The three contacts of working delegates clearly showed who truly wants peace and peaceful reunification of Korea and who seeks confrontation and division.

The South side did not conceal that it persistently seeks to realise its wild dream of "achieving unification through absorption" by inducing the North to "open to the outside world", invariably pursuing the "two Koreas" policy.

It was entirely attributable to the insincere attitude on the part of the South side that the contact of working delegates of the two sides for the preparation of the fourth North-South high-level talks produced no result. The South side should immediately change its unreasonable stand, sincerely work for the progress of the high-level talks and join in the grand march of the fellow countrymen to hasten peace and peaceful reunification.

South Holds War Exercises 'To Invade' North

SK1708035891 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 16 Aug 91

[Text] According to a military source, on 14 and 15 August the U.S. Pacific Air Force Command and Naval Command carried out a large-scale joint air strike exercise in South Korean air space. The purpose of the exercise was to invade the North.

This provocative war exercise was carried out with force over Anmyon Island, Wonju, aimed at enhancing the actual fighting capacity of the fighter planes brought in from foreign bases in cooperation with the planes of the U.S. Air Force occupying South Korea and the puppet Air Force.

Fighter planes and pursuit-assault planes, such as F-16's and FA-18's were brought in from mainland Japan and the bases in the Pacific area. Three hundred fighter planes and assault planes affiliated with the Air Force of the U.S. Seventh Fleet and the puppet Air Force were brought in.

At the instigation of the U.S. imperialists, the South Korean puppets are agitating us by running madly about carrying out various war exercises around the demilitarized zone along the Military Demarcation Line.

On 12 and 13 August, units armed with 105-millimeter guns positioned firepower along the areas of Yongsan-ri, Chukhyon-ri, and Chongja-ri, Paju County, and threatened us by firing some 260 rounds of shells toward Kogong-ri, located near the mouth of Yimjin River along the DMZ.

On 13 August at around 1840, the armed rascals who occupied the hill adjacent to South Korea's Igil-ri, Cholwon County, Kangwon Province, located north of the DMZ, randomly fired about 60 rounds from M-16 automatic rifles. Also on 12 August at around 0850, the rascals who were gathered at the northwest side of Chokko-ri, Yonchon County, Kyonggi Province fired 80 rounds of 12.7-millimeter large-caliber machine guns.

On 12 August from 2000 to 2200, 110 trucks carrying 105-millimeter guns were mobilized from Kumpa-ri, Paju County to Tupo-ri, Paju County. At around 1015, 40 trucks carrying 105-mm guns from Kumpa-ri, Paju county to Korangpo-ri, Yonchon county, were rapidly mobilized in front of us. Thus they were running amuck in their war exercise.

On 12 August six armed helicopters repeatedly flew between Munsan to Yonchon-up and were flying madly around in the exercise to capture and strike at targets on our side of the area.

The indiscriminate war exercise commotion that the U.S. imperialists and the South Korean puppets engage in every day clearly show that the rascals are desperate to attempt to invade the North.

South Commits 'Grave Military Provocations'

SK1708120691 Pyongyang Korean Central Broadcasting Network in Korean 1057 GMT 17 Aug 91

[Text] The South Korean puppets have committed grave military provocations one after another in the Demilitarized Zone [DMZ].

The South Korean puppets at about 1107 today committed a grave military provocation, openly bringing an armored car in broad daylight into the DMZ south of the Military Demarcation Line [MDL] marker No. 467, deploying it in the position, and making themselves ready for an offensive combat posture.

Before this, the South Korean puppets at about 0825 on 16 August fired an M-16 automatic rifle in the DMZ at a location 300 meters south of the MDL marker No. 1,120, and bringing a group of rascals carrying automatic weapons into the DMZ at a location 400 meters south of the MDL marker No. 840 at about 1750, they fired dozens of rounds from M-16 automatic rifles.

Under the instigation of the U.S. imperialists, the South Korean puppets massively conducted construction projects of building various kinds of offensive positions at some 30 locations in the DMZ along the entire area of the MDL, frantically engaging in new war provocation maneuvers. The South Korean puppets on 16 and 17 August brought from 500 to 1,000 laborers every day into the DMZ close to our location in the central front south of Pyonggang and Kimhwa, accelerating a large-scale project of fortifying positions in a full-fledged manner.

This shows well that the South Korean puppets are not interested in the peaceful reunification of the country but are seeking only confrontation and war. At a time when the North-South high-level talks for fatherland reunification is approaching, the South Korean puppets are bringing heavy weapons into the DMZ one after another, massively building positions for artillery, tanks, and armored cars, and more openly committing acts of firing guns and rifles in the DMZ along the MDL and in its vicinity. Our soldiers of the People's Army are keeping watch of this with sharp alertness and with high revolutionary vigilance.

The U.S. imperialists and the South Korean puppets should ponder what grave consequences will be brought about by these antidialogue and antireunification military provocations, and act with discretion.

Dailies View Holding of Pannational Rally

SK1808094191 Pyongyang KCNA in English 0832 GMT 18 Aug 91

["Papers Hail Success of Second Pan-National Rally"—KCNA headline]

[Text] Pyongyang August 18 (KCNA)—Papers here today dedicate editorial articles to the successful holding of the second pan-national rally for peace and reunification of the country.

The recent pan-national rally had to be held separately in Panmunjom, Seoul and Tokyo due to the obstructive moves of the domestic and foreign separatists, NODONG SINMUN notes, and says: The second pan-national rally held in the North, South and abroad was a rally of national unity and reunification which recorded another brilliant chapter in the history of the nation's reunification movement in that it confirmed once again that the nation has one and the same desire and purpose for reunification, demonstrated its unshakable will for reunification at home and abroad and encouraged the entire fellow countrymen to courageously turn out in the nationwide reunification movement, closely rallied under the banner of great national unity.

The successful holding of the second pan-national rally for peace and reunification of the country was a precious fruition of the hard-fought struggle of the pro-reunification patriotic forces in the North, South and overseas and a great victory of the pro-reunification forces over the separatist forces.

The rally was a grand nationwide meeting for reunification which demonstrated the power of great national unity and the will for reunification and an epoch-making event in further extending and developing the nation's grand march toward reunification in the 1990s.

The South Korean rulers, instigated by the U.S. imperialists, resorted to all sorts of despicable moves to block the second pan-national rally and the grand reunification festival of students in the North, South and overseas.

The No Tae-u ruling group must bear responsibility for blocking the '91 Pan-National Rally and the August 15 Grand Reunification Festival of Students in the North, South and Overseas from being held in Seoul as a common festival of the nation as scheduled.

It is of key importance in solving the reunification question to implement the agreements of the second pan-national rally such as easing the tensions and preserving peace in the country, quickly confirming the nation's common way of reunification, actively developing the dialogue for reunification and achieving great national unity.

Commentary Views No's Liberation Day Speech

SK1808092191 Pyongyang KCNA in English 0838 GMT 18 Aug 91

["No Tae-u's 'Liberation Day Address' Assailed"—KCNA headline]

[Text] Pyongyang August 18 (KCNA)—NODONG SINMUN today in a commentary assails No Tae-u's address delivered at a government-sponsored meeting celebrating "liberation day" on August 15. The news analyst describes his address as a treacherous jargon full of self-praises intended to refurbish his image as a colonial puppet and sophistries aimed at fooling and mocking the people desirous of independence, democracy and reunification. Noting that there can be no liberation in South Korea, a U.S. colony, in the true sense of the term, the news analyst ridicules No's claim in the address that South Korea is "now towering high in the centre of our planet." Then what is South Korea really like? It remains a U.S. colony and its advance nuclear base still today when the present century is drawing to a close, it still maintains the concrete wall South of the Military Demarcation Line to keep the country and the nation divided forever and its whole area has turned into a graveyard of democracy and human rights, a huge prison owing to an unprecedentedly harsh military fascist rule and man-hunting "security-oriented rule," observes the analyst.

That day No told such a lie that he had the will to work for unification. Under the present circumstances where his group have daggers hidden under their coats to swallow up others it is impossible to expect any progress of dialogue and no interchange can ever help towards reconciliation and unity of the nation. No's talking about "interchange" while refusing to remove the stumbling block lying in the way of national reunification is nothing but a hokum intended to freeze the division and pave the way for achieving "unification through absorption."

He let out this piffle about "unification" in his address at the very day when his group blocked the way of representatives of our side going to the South to attend the reunification festival, thus rendering it impossible to hold the 91 Pan-National Rally and the Grand Reunification Festival of Students in the North, South and overseas slated in Seoul as a common reunification festival of the nation, and made a wholesale arrest of pro-reunification, patriotic forces. Recalling that No cried out in his address for consolidating the "foundation of democracy " in South Korea, the analyst observes that "democracy" on his lips is nothing but a smokescreen for concealing their fascist crimes in keeping such fascist laws as the "National Security Law" and huge repressive machines and brutally cracking down upon all forces that stand in their way as "forces to overthrow the system."

Front Issues Declaration on National Liberation

SK1808082691 Pyongyang KCNA in English 0804 GMT 18 Aug 91

[Text] Pyongyang August 18 (KCNA)—The Central Committee of the South Korean National Democratic Front [SKNDF] (Hanminjon) on August 14 issued an August declaration on the occasion of the 46th anniversary of the national liberation, Seoul-based radio Voice of National Salvation reported.

The Hanminjon Central Committee said in the declaration that the South Korean people were greeting the 46th anniversary of the August 15 national liberation under the painful circumstances in which the ruinous dark clouds of dependence and division have not been dispelled.

Noting that the United States has been lording it over as an arrogant dominator for 46 years after binding all things of South Korea, political, military, economic and cultural, with the invisible chains of neo-colonialism, the declaration says:

Our people must put an end to dependence and division and restore the 15th of August through our vigorous anti-U.S. struggle and achieve national reunification, the greatest cherished desire of the nation.

To terminate the U.S. colonial rule and establish the nation's independent regime is the common basic political platform of all the forces of the national democratic movement which aspire to genuine liberation and independence.

Let the forces of the national democratic movement strengthen and develop the anti-war, anti-nuke movement to get the U.S. troops and nuclear weapons withdrawn from South Korea and ensure our people's living and security on the Korean peninsula.

The greatest desire of our people who have lived with their hearts bleeding under the tragedy of national division is to reunify the country.

"Let us greet 1995 as the first year of reunification!"—This is the immutable will and determination of our people who have desired reunification with all their hearts. The reunification of our country must be realized independently and peacefully on all accounts on the principle of great national unity and this is the immovable fundamental principle of national reunification which should not be violated under whatever circumstances.

We hold that the country should be reunified by means of a confederacy based on one nation, one state, two systems and two governments on the principle of neither side conquering the other or being conquered.

Our people must no longer tolerate the anti-communist, anti- North intrigues camouflaged under the false "unification" slogan and the anti-national, anti-reunification sword-brandishing against pro-reunification patriotic forces of the No Tae-u group which is seeking permanent division and confrontation.

Reunification of the country is the cause of the whole nation for realizing its independence, and its driving force is our whole nation.

Let all the people who set store by the destiny and future of the nation achieve concord and unity nationwide, transcending the differences in ideology, religious belief and system.

Nature of 'New' U.S. Military Strategy Viewed

SK1808093391 Pyongyang KCNA in English 0823 GMT 18 Aug 91

["Invariable Line of Confrontation and War"—KCNA headline]

[Text] Pyongyang August 18 (KCNA)—U.S. President Bush in a recent "Report on the Strategy of National Security" for this year submitted to Congress blared that the United States would give up the strategy of blockading a specific country and focus national strategy on "solving regional disputes" and "avoiding military conflicts."

NODONG SINMUN today brands this as a hypocritic and deceptive trick to conceal the aggressive and bellicose nature of the "new military strategy" of the United States.

The news analyst says:

The aim of the U.S. "new military strategy" and the doctrine of "settlement of regional disputes" is to encourage "regional disputes" in the interest of the United States, perpetrate an armed intervention and war of aggression under the pretext of solving the "disputes" and dominate the world by subjugating other countries, small and independent countries in particular, one by one.

Through this new military strategy, they scheme to build a "new world order" for their world supremacy.

It is self-evident that this is not a stand to settle disputes but to aggravate the tensions and increase the danger of war.

The U.S. theory of "settlement of regional disputes" shows that their aggressive and bellicose nature is getting more crafty.

The United States, talking about regional disputes, claims that the Korean peninsula is a region with a high possibility of accidental and surprise regional disputes. This is a very dangerous and aggressive outburst.

This shows that the United States has a sinister intention to unleash another war in Korea under the pretext of regional disputes.

It is obvious that the U.S. imperialists plan to make the Korean peninsula the first target of their new military strategy.

If the United States truly wants settlement of disputes and peace in Korea, it must discard the scheme of unleashing a new Korean war and immediately withdraw its troops and nuclear weapons from South Korea.

Biological, Nuclear Weapons Development Denied

SK1908040091 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 18 Aug 91

[Text] According to a report, the puppet defense minister made a provocative outburst against us. In an interview with the English daily THE KOREA HERALD, dated 16 August, he babbled that we are recently developing biological, nuclear, and conventional weapons and that there is an increasing possibility of our resorting to military adventures, thus making provocative outbursts inspiring confrontation against us.

This man, who had made war-inspiring outbursts about waging a surprise attack on our nonexistent nuclear facilities last April, arousing strong protest at home and abroad, did not hesitate to make these remarks again. This reveals once again the antireunification position of the South Korean military fascist elements.

The South Korean puppets are trumpeting completely false allegations, keeping in tune with their U.S. imperialist masters' anti-Republic false propaganda that we are developing biological and nuclear weapons. By this, they aim to slander and isolate us in the international community and to provide a pretext for justifying their criminal new war provocation maneuvers. In spreading the false propaganda against us, the puppet defense minister raved that the war expense of the puppet armed forces will be continuously increased for several years to come to cope with someone's military adventures. This reveals their heinous scheme well.

As has been reported, the compatriots in the North, South, and overseas successfully conducted the second round of the pan-national rally in Panmunjom, Seoul, and Tokyo in the face of the splittists' obstructive maneuvers, demonstrating the volition for reunification and the great national unity to achieve fatherland reunification, the long-cherished national desire, at an early date. At a time like this, the South Korean fascist clique babbled about biological and nuclear weapons and attempted to justify their antinational maneuvers for arms increases, picking on us. This reveals that they are still adhering to their ambition for reunifying the country by defeating communism and are frenziedly engaging in the war provocation maneuvers for a northward invasion with support from the U.S. imperialists.

In particular, at a time when the North-South high-level talks are near at hand, at which the adoption of a nonaggression declaration is to be declared, they made provocative outbursts filled with falsehood and malice against us. This clearly proves how frantically the South Korean fascist clique is attempting to lay an artificial obstacle in the way of North-South dialogue and to further aggravate political and military tensions on the Korean peninsula.

U.S., ROK Urged To Act on Denuclearization

SK1908061391 Pyongyang KCNA in English 0507 GMT 19 Aug 91

[Text] Pyongyang August 19 (KCNA)—NODONG SINMUN today urges the United States and the South Korean authorities to immediately reciprocate the DPRK's efforts for the denuclearisation of the Korean peninsula and keep step with the trend of the times.

The news analyst says:

Some changes have taken place in the situation in different parts of the world, but tension is growing on the Korean peninsula alone, far from being eased. This is entirely because the United States keeps a large stock of nuclear weapons in South Korea and resorts to the policy of nuclear blackmail.

The international situation today urgently demands an immediate end to the presence of the U.S. troops and nuclear weapons in South Korea, a product of the era of the cold war.

The deployment of nuclear weapons in South Korea by the United States is a direct outcome of its nuclear confrontation with the Soviet Union. Today, the United States says that the Soviet-U.S. relations have veered to reconciliation and cooperation from antagonism and confrontation. And the two sides have agreed not to start a nuclear war against the other side. The developments have created an objective possibility of turning the Korean peninsula into a zone free from nuclear weapons.

Meanwhile, the U.S. authorities express support to the proposal for establishing nuclear-free zones in the Middle East, South Asia and Africa and take the position that they do not oppose in principle the establishment of nuclear-free zones on condition that the parties concerned reach an agreement.

If so, the United States must no more shun the denuclearisation of the Korean peninsula.

The DPRK Government has proposed to denuclearise the Korean peninsula and laid down detailed ways of implementing it, out of a noble desire to remove the danger of nuclear war on the Korean peninsula and preserve a durable peace and security in Korea and the world.

There is no ground or excuse for the United States and the South Korean authorities to refuse to accept our proposal.

Kim Il-song Sends Message to Jiang Zemin

SK1608153791 Pyongyang KCNA in English 1512 GMT 16 Aug 91

[Text] Pyongyang August 16 (kcna)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, today sent a message of greetings to Comrade Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, on the occasion of his 65th birthday.

The message says:

On the occasion of your 65th birthday I extend warmest congratulations and greetings to you on behalf of the Central Committee of the Workers' Party of Korea, the Korean people and on my own.

You enjoy respect and trust of the Chinese people as you have led the Chinese revolution to an uninterrupted upswing, defending the revolutionary principles of Marxism-Leninism and firmly maintaining the party's leadership and the socialist orientation since you assumed heavy responsibility as general secretary of the Central Committee of the Communist Party of China.

Today the fraternal Chinese Party and people are firmly adhering to the four cardinal principles and the line of deepening reforms and opening to the outside world and making unremitting efforts to fulfil the 10-year plan and the eighth 5-year plan for national economic and social development, the second-stage strategic goals of socialist construction, and to reunify the whole country according to the "one country, two systems" policy, and are registering great successes in this historical struggle.

And the international prestige of China is rising with every passing day for the validity of the independent and sovereign foreign policy of the Communist Party of China.

All the achievements in China could be made as the Central Committee of the Communist Party of China with you at the core has advanced lines and policies suited to the specific conditions of the Chinese revolution and to the demand and interests of the Chinese people and correctly led all the party members and other people.

Comrade Jiang Zemin, you are not only paying deep attention to strengthening and developing the Korea-China friendship, setting great store by the particular intimacy established between us and the leaders of your party on the basis of comradely trust and revolutionary sense of obligations in the course of the long-drawn-out struggle to accomplish the common cause, but also always rendering full support to our people's cause of justice for socialist construction and the independent and peaceful reunification of the country.

Our people are very grateful for this and highly appreciate your efforts for the Korea-China friendship.

I hope that in the future, too, you will register new success in your noble work for accomplishing the socialist cause by leading the Communist Party and people of China.

I sincerely wish you good health and longevity.

Envoy in Cuba Attends Photo Exhibition

SK1708123291 Pyongyang Korean Central Broadcasting Network in Korean 2300 GMT 1 Aug 91

[Text] The Cuban Committee to Support Korean Reunification and the Cuban Society of Friendship with Foreign Countries jointly sponsored a photo exhibition at the premises of the Writers and Artists Union in Sancti Spiritus Province on 19 July showing the photographs taken by (Raul Garcia Alvarez), who was a PRENSA LATINA correspondent stationed in our country.

Placed at the front of the exhibition site was a photograph of the great leader Comrade Kim Il-song with the dear leader Comrade Kim Chong-il inspecting the Korean-style dwellings newly built in Nam-ri village at Mangyongdae.

Present at the opening ceremony of the exhibition were the responsible functionaries of the party and government organizations and public organizations of Sancti Spiritus Province and other relevant functionaries. The personnel of the embassy of our country in Cuba were invited. Speeches were made in the opening ceremony.

(Julio Janez), chairman of the Province's Writers and Artists Union, in the opening address, said that the peoples of Cuba and Korea became friends in the struggle against the common enemy and that, in particular, Comrade Fidel Castro and President Kim Il-song have excellent relations.

(Raul Garcia Alvarez), in a speech, referred to his impressions during his stay in our country, and said that because the leader, the party, and the masses are united as one in Korea, the socialism of Korea is ever-victorious, that the great leader Comrade Kim Il-song has been leading the Korean revolution to victory with extraordinary energy and vigor, that he is always with the workers and peasants, and that President Kim Il-song pays deep attention to Cuba. He mentioned the honor he had during his stay in our country of being received by the great leader. He continued and mentioned the benevolent love and consideration of the dear leader Comrade Kim Chong-il, and expressed his deep gratitude to him for giving his son who was born in the Pyongyang Maternity Hospital a name "Saeppyol" with a precious gift of love. He gave a detailed explanation of the photographs taken by him.

Danish Workers' Party Delegation Arrives

SK1808084291 Pyongyang KCNA in English 0818 GMT 18 Aug 91

[Text] Pyongyang August 18 (KCNA)—A delegation of the Danish Workers' Party, Common Cause, headed by its chairman Preben Moller Hansen arrived in Pyongyang Saturday for a visit to our country at the invitation of the Central Committee of the Workers' Party of Korea.

It was met at the airport by Kim Yong-sun, secretary, and Kim Hyong-u, vice-director of a department, of the Central Committee of the Workers' Party of Korea.

Meets With Kim Yong-sun

SK1908053691 Pyongyang KCNA in English 0454 GMT 19 Aug 91

[Text] Pyongyang August 19 (KCNA)—Talks were held here on August 18 between delegations of the Workers' Party of Korea [WPK] and the Danish Workers' Party, Common Cause.

Present at the talks on our side were secretary Kim Yong-sun and vice-director of a department Kim Hyong-u of the WPK Central Committee and other officials concerned and, on the opposite side, were the members of delegation of the Danish Workers' Party, Common Cause led by its chairman Preben Moller Hansen.

The talks proceeded in a friendly and comradely atmosphere.

The Danish side said that the party was conducting a brisk propaganda campaign in full support of the five-point policy of Korean reunification advanced by President Kim Il-song.

They talked about the reality of Korea they had witnessed and said Comrade President Kim Il-song is a respectable person who is leading the revolution and construction full of vigor.

Attends Banquet 18 Aug

SK1908054991 Pyongyang KCNA in English 0456 GMT 19 Aug 91

[Text] Pyongyang August 19 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] Sunday hosted a party in honor of the visiting delegation of the Danish Workers' Party, Common Cause led by its Chairman Preben Moller Hansen.

Kim Yong-sun, secretary of the WPK Central Committee, spoke at the party.

The Danish Workers' Party, Common Cause, he said, is now striving under the leadership of respected comrade chairman to win over the working class and all the progressive and democratic forces and build a classless society, a new society free from exploitation, oppression and inequality.

The Workers' Party and people of Korea have always extended full support and solidarity to the Workers' Party, Common Cause and working class of Denmark in the struggle against the imperialists' policy of aggression and war and for the withdrawal of the country from EC and NATO, elimination of nuclear weapons and dissolution of all military blocs.

We hope that the Danish Workers' Party, Common Cause will make a new progress in its future activities for the expansion and strengthening of the party ranks and its unity and solidarity, for independence and peace against imperialism and for the hewing of the road to socialism, he said.

Speaking next, Preben Moller Hansen said he knows well of President Kim Il-song who is wisely leading the Workers' Party of Korea and the Korean people. Under his leadership the Korean people are carrying on a great cause of worldwide significance, he said.

We went round with great admiration Korea today which has been rebuilt wonderfully from ruins to which everything had been reduced in the war, he said, adding: Pyongyang is a city so beautiful, clean and full of youthful vigor.

He said his delegation, back in Denmark, would energetically propagandize the ardent desire of the Korean people for national reunification and the validity of the five-point reunification policy put forward by President Kim Il-song.

Expressing the belief that the reunification so ardently desired by the Korean people will be achieved in a short period with the implementation of the reunification policy of President Kim Il-song, he declared that his party would make all efforts to further strengthen and develop friendship and cooperation between the two parties.

Meeting in Japan Urges Relations Normalization

SK1608154691 Pyongyang KCNA in English 1505 GMT 16 Aug 91

[Text] Tokyo August 14 (KNS-KCNA)—An inaugural meeting of the Hyogo Prefectural People's Council for the Promotion of Normalization of Japan-Korea Diplomatic Relations was held in Kobe, Japan, on August 9.

Addressing the meeting, Hajime Ishii, Liberal-Democratic member of the House of Representatives and chairman of the Dietmen's League for the Promotion of Japan-Korea Friendship, said that the formation of the Hyogo Prefectural People's Council, reflects the desire of the Japanese people for the normalization of Japan-Korea diplomatic relations and it will greatly contribute to creating public opinion in this connection.

The meeting adopted an appeal.

It said that the improvement of relations between Japan and Korea is the hope of the Japanese people and the demand of the times for peace and friendship. It called upon the entire Japanese people to conduct dynamic activities for the early normalization of Japan-Korea diplomatic relations.

Delegates of the Sakyo Assembly, Kyoto Prefecture, for the promotion of the normalization of Japan-Korea diplomatic relations on August 8 called at the official residence of the Japanese prime minister and handed to the chief cabinet secretary a request demanding early normalization of Japan-Korea diplomatic relations.

The request addressed to Prime Minister Kaifu said that the normalization of Japan-Korea diplomatic relations is an aspiration of people of the two countries and a task which brooks no delay.

It demanded the Japanese Government to correctly implement the spirit of the three-party joint declaration on the basis of an independent judgement and do its utmost to realize the normalization of Japan-Korea diplomatic relations at an early date.

Anti-Japanese Slogans Discovered in Pyongan

SK1708095791 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 31 Jul 91

[Text] Revolutionary slogans of the anti-Japanese struggle period are continuously discovered around North Pyongan Province. North Pyongan Province, which had already discovered slogans around Changsong County, Taegwan County, Pakchon County, and Unsan County, has recently again discovered many new slogan-bearing trees around Tongchang County, Pyoktong County, Kusong City, and Sakchu County.

Revolutionary slogans, which have so far been discovered in North Pyongan Province, numbered approximately 140.

Dear leader Comrade Kim Chong-il has noted: Revolutionary historical remains have a great power to influence, because they show the glorious revolutionary struggle history of our party with realistic facts and real things.

Inscribed on a slogan-bearing tree newly discovered around Paupkol, Tongchang Town, Tongchang County, is an immortal letter, "Long Live General Kim Il-song, Commander of Korean Independence."

Discovered there are also such slogans as "Follow General Kim and Rise Up To Fight To Regain the Nation," "Uphold the Order of General Kim and Rise Up in the Fatherland Liberation War," which vigorously inspired all the people in the fatherland liberation war in a hearty response to the call of the great leader.

Newly discovered in the forests of Sunghwa-ri and Tongdo-ri, Pyoktong County, are six other revolutionary slogans, such as "Outstanding General Kim," "Let us all help General Kim of the anti-Japanese forces regain the country," "Let us all regain our country with our own strength," "Let us regain our country's beauty like tapestry, usurped by the Japanese rascals."

Discovered in Wonjin-ri, Kusong City, are "Long live Paektu General Marshal Kim" "Long live Korean independence" "Defeat robbers, Japanese imperialists," "Let us regain hope" "Let us regain freedom."

Discovered in Kumgu-ri, Sakchu County, are "Let us all the people rise up against Japan," and "Anti-Japanese victory."

The revolutionary slogans, which are newly discovered in the province, impressively show the revolutionary outlook of the leaders of anti-Japanese martyrs, who upheld, for the first time in thousands in the history of our nation, the respected and beloved Comrade Kim Il-song as the great leader, and who devoted everything to fight for national liberation under his leadership.

In addition, revolutionary slogans show well the ever-victorious faith, anti-Japanese revolutionary spirit, and fiery patriotism that overflows in the minds of anti-Japanese fighters.

NODONG SINMUN on 'Great National Unity'

SK1908131591 Pyongyang KCNA in English 1008 GMT 19 Aug 91

["Line of National Unity Is Brilliant Sum Total of Tradition and Experience of National Unity"—KCNA headline]

[Text] Pyongyang August 19 (KCNA)—The line of great national unity laid down by the great leader Comrade Kim Il-song in "Let Us Achieve the Great Unity of Our Nation", his talks with the senior officials of the Committee for the Peaceful Reunification of the Fatherland and the members of the North side's headquarters of the Pan-national Alliance for the Country's Reunification, is a brilliant sum total of the tradition and experience of national unity, says NODONG SINMUN in a signed article today.

The paper quotes Comrade Kim Il-song as saying:

"If all the nation fights in concord and unity drawing on the tradition and experience of national unity built up and gained in the course of realizing our nation's cause of independence, we can achieve without fail national reunification, the supreme task of the nation".

The paper further says:

The tradition of the great unity of our nation was created when Comrade Kim Il-song organised the anti-Japanese revolutionary struggle and led it to a brilliant victory. As far back as in the days when he started the revolutionary cause of chuche, the respected leader Comrade Kim Il-song founded the immortal chuche idea and, on this basis, set forth the chuche-oriented line of the Korean revolution and a policy of struggle to accomplish the sacred cause of national liberation by firmly uniting all the anti-Japanese patriotic forces. And he firmly maintained the principle of placing the national interests before anything else and fighting in reliance upon the united strength of the people in the whole course of the anti-Japanese revolutionary struggle.

The Association for the Restoration of the Fatherland formed in 1936 under the wise leadership of Comrade Kim Il-song was an organisation of anti-Japanese national united front involving broad patriotic people who opposed the Japanese imperialists and aspired to the independence of the country.

He has successfully applied the tradition of the national unity established during the anti-Japanese revolutionary struggle in the struggle for the building of a new society.

In his speech to the people in the homeland upon his triumphant return home right after the country was liberated, he called upon all the people who loved the country and the nation and democracy to make a positive contribution to nation-building in firm unity, those with strength giving strength, those with knowledge contributing knowledge and those with money donating money.

He has always enforced politics relying upon the united strength of the broad segments of the people and built in so short a historical period a powerful socialist state centering on the popular masses which is independent, self-supporting and self-reliant in defence.

He has upheld the banner of great national unity also in the struggle for achieving the independent and peaceful reunification of the country.

He convened a joint conference of the representatives of the political parties and social organisations of North and South Korea in Pyongyang in 1948.

The historical April North-South joint conference showed clearly that all the people can unite in the struggle for the common cause of the nation, despite differences in ideology and idea, political view and religious belief.

The line and policy of the great national unity set forth by the great leader on the [word indistinct] analysing and summing up the tradition and experience of the national unity achieved in the struggle for accomplishing the cause of national independence is very just and realistic and is giving a new conviction and optimism of national reunification to our nation who is advancing for reunification in the 1990s.

WPK Congratulates Hydroelectric Power Station

SK1908024691 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 10 Aug 91

[Text] A congratulatory message from the Central Committee of the Workers Party of Korea [WPK] was delivered to the builders of the construction complex of the No. 5 Hydroelectric Power Station and the facility and assembly complex of the hydroelectric power station. The (Wihon) power station has been newly built in the area of the Yalu River, the Korea-China friendship river, which forms the boundary of our country. Thus, this power station has been displaying its might as a reliable power base capable of producing and providing the electricity needed for the development of the national economy.

The congratulatory message from the Central Committee of the Workers Party of Korea was delivered to the builders who had carried out laborious feats in the construction of the (Wihon) power station.

The message says that the WPK Central Committee warmly extends its congratulations to the builders who, in upholding the leadership of the party and the leader, had successfully carried out the construction of the (Wihon) power station, thus highly displaying a patriotic devotion and mass-oriented heroism.

The message says: The working class of the construction complex of the No. 5 Hydroelectric Power Station and the facility and assembly complex of the hydroelectric power station started constructing the power station according to the party's and the leader's call. In addition, it was outstanding in building the power station to become a grand monumental creation, thus carrying out the work of digging a huge amount of earth, of pouring concrete, of utilizing the facility, and of organizing the assembly by displaying a burning revolutionary passion and an indomitable fighting spirit. The working class and functionaries of the construction complex of the No. 5 Hydroelectric Power Station, vigorously conducting a mass-oriented technological innovation movement, have improved construction methods and completed the construction ahead of schedule. Thus they have spared a great deal of effort and saved materials and funds by creating and introducing various advanced construction methods into the difficult tasks, such as the work of building the bank, of preparing groundwork for excavation, and of mixing concrete.

Functionaries and the workers of the facility and assembly complex of the hydroelectric power station, bringing into play their wisdom with ardent zeal, have properly made in a short period the machine equipment, including generators. Through the construction of the power station, the builders have properly shown lofty ideological and moral qualities as our party's genuine revolutionary fighters who are endlessly loyal to the party and the leader. In addition, they have been turned into a strong and reliable construction army unit capable of excellently carrying out the revolutionary tasks however difficult they may be.

The WPK Central Committee highly praises the laborious feats of all the builders who vigorously displayed an indomitable might of our people who had singleheartedly united around the party and the leader. In addition, it highly praises all the builders who, in upholding our party's policy for the development of the hydroelectric resource, demonstrated the justification and vitality of our party's policy by building the (Wihon) power station and by successfully guaranteeing its operation.

Under the programmatic instructions of the great leader Comrade Kim Il-song, the builders of the construction of the power station face the further honorable task of further accelerating the construction for the country's power base.

The builders who have displayed feats in the construction of the (Wihon) power station, firmly uniting around the party and the leader under the revolutionary banner of the chuche idea, should win an overwhelming victory in carrying out the revolutionary task assigned them. As a result, the WPK Central Committee believes, they will excellently live up to the party's confidence and expectations.

The meeting to deliver the congratulatory message from the WPK Central Committee was held yesterday at the construction site of the Kumya River power station.

Present there were Hyon Chol-kyo, responsible secretary of the South Hamgyong Provincial Party and chairman of the People's Committee of South Hamgyong Province; Yi Tong-yun, chairman of the Administrative and Economic Guidance Committee of South Hamgyong Province; and other relevant officials, along with the labor heroes and builders who have displayed feats in constructing the power station.

At the meeting, the message was delivered and received warm applause from the participants.

Participants in discussion at the meeting were Yi Chol-yon, manager of the Construction Complex of the No. 5 Hydroelectric Power Station; Yi Chin-il, chief engineer of the facility and assembly complex of the hydroelectric power station; Han Chon-ok, head of the work team of the (Taik) shop; and Song Yong-kwon, vice chairman of the League of Socialist Working Youth of Korea at the complex.

A letter of pledge was adopted at the meeting.

Daily Says WPK 'Defending' People's Interests

SK1908063291 Pyongyang KCNA in English
0513 GMT 19 Aug 91

[Text] Pyongyang August 19 (KCNA)—It is the steadfast principle of the Workers' Party of Korea [WPK] to firmly defend the fundamental interests of the popular masses and closely combine it with their immediate interests.

NODONG SINMUN stresses this in a signed article Sunday entitled "Close Combination of the Fundamental and the Immediate Interests of the Popular Masses in Socialist Society". It writes that the wisdom of the party's leadership for defending the interests of the people finds its expression in correctly solving the corelationship between the fundamental interests of the people and their immediate interests.

The article says:

The fundamental interests of the people should never be conceded or spoiled under whatever circumstances. When the fundamental interests are ignored for the urgency of immediate interests, it is impossible to completely realize the independence of the people and, eventually, the immediate interests cannot be ensured properly.

It is not merely for the immediate interests and temporary happiness that the masses of the people are making revolution and building socialism, pulling through arduous trials. If the fundamental desire of the masses for independence is to be realized completely, they should value the fundamental interests of the distant future of revolution as well as present happiness. History shows that when this principle is not adhered to, the gains of the revolution, today's happiness and destinies of the people will be in peril.

Our party, even under the present circumstances where the imperialists and reactionaries are stepping up their outrageous anti-socialist campaign, unfolded a grand blueprint for the fundamental interests of the revolution and the eternal prosperity of the nation and has made sure that a grand construction march was pressed forward dynamically and efforts were exerted into agriculture, light industry and housing construction. Thus, the party is opening a broad vista for a more satisfactory solution to the food, clothing and housing problems, and for a more affluent, civilized life of the people.

There can be no compromise with any phenomena that conflict with the interests of the people, no satisfaction with the people's living. This is the revolutionary stand and firm will of our party.

KCNA Reviews 17 Aug Pyongyang Press

SK1708061691 Pyongyang KCNA in English 0508 GMT 17 Aug 91

[Press review]

[Text] Pyongyang August 17 (KCNA)—Papers here today frontpage a message of greetings sent by Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, to Comrade Jiang Zemin, general secretary of the Central Comittee of the Communist Party of China, on his 65th birthday.

Printed in the press are also messages of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to President of Indonesia Suharto on the 46th independence anniversary of his country and to Gabonese President El Hadj Omar Bongo on the 31st independence anniversary of his country.

The great leader President Kim Il-song called on visiting His Royal Highness Samdech Norodom Sihanouk, chairman of the Supreme National Council of Cambodia, at the guest house, says the press.

According to NODONG SINMUN, President Kim Il-song received a message from President Miguel Travoada in reply to his message of greetings on the 16th anniversary of the independence of the country and the proclamation of the Democratic Republic of Sao Tome and Principe.

The paper conveys words of South Korean people deeply revering President Kim Il-song as the lodestar of national reunification.

MINJU CHOSON deals with the brilliant victory in the battle in Fusong County Seat (August 17, 1936) which was personally organized and commanded by President Kim Il-song during the anti-Japanese armed struggle.

Carried in the press is news that a message of thanks of the Central Comittee of the Workers' Party of Korea was conveyed to the party members and working people of Kim Chong-suk county, Yanggang Province, which had registered significant achievements in building up the county and raising people's living standard and revolutionary battle sites and historical sites have been well arranged in the county so as to contribute to the education of the working people in the revolutionary traditions.

Econews of the press includes reports that the construction of the oxygen shop of the February 8 vinalon complex is progressing fast and the Taean heavy machine complex has fulfilled its assignments for the production of ordered equipment for the Hungnam fertilizer complex.

The press informs the readers that the fourth intergovernmental full-dress talks for the normalisation of DPRK-Japan diplomatic relations will be held in Beijing.

The Tanzanian prime minister met with a delegation of the council of the Korea-Tanzania agriculture joint venture company, leaders of political parties of Nepal met the Korean ambassador and the chairman of the United Left of Peru met with the charge d'affaires ad interim of the Korean Embassy in Peru, says NODONG SINMUN.

Conveyed in papers is news that the second pan-national rally for peace and reunification of the country was held in Seoul and Tokyo.

Papers report that the three rounds of North-South working-level delegates' contact for the preparation of the fourth inter-Korean high-level talks have produced no result due to the insincere attitude of the South side.

NODONG SINMUN in a commentary denounces the South Korean authorities for excluding the pro-reunification patriots and democrats from the "release of model prisoners on parole" marking the "liberation day."

The paper gives an account of an interview with internationalist soldier Ya. T. Novichenko and his party held during their stay in Korea.

Papers report that foreign public circles support the July 30 statement of the DPRK Foreign Ministry putting forward a new proposal for the denuclearisation of the Korean peninsula.

Foreign news media reported that a resolution on recommending the DPRK's U.N. membership was adopted at a meeting of the U.N. Security Council, according to NODONG SINMUN.

Papers observe the independence days of Indonesia and Gabon.

Kaysone Phomvihane was elected president of the Lao People's Democratic Republic, says the press.

NODONG SINMUN runs an article entitled "Unity of Asian People Is Guarantee for Removing Danger of Nuclear War."

KCNA Review of 19 Aug NODONG SINMUN

SK1908073891 Pyongyang KCNA in English 0548 GMT 19 Aug 91

[Review of NODONG SINMUN]

[Text] Pyongyang August 19 (KCNA)—NODONG SINMUN today frontpages a report that the great leader President Kim Il-song received writers.

Appearing in the paper is a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to President Najibullah on the 72nd anniversary of the independence of Afghanistan.

Carried in the paper is a message of greetings sent by Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea, to Kaysone Phomvihan, president of the Central Committee of the Lao People's Revolutionary Party, upon his election as president of the Lao People's Democratic Republic.

Carried in the paper is a message of greetings to President Kim Il-song from Joao Bernardo Vieira, president of the State Council of the Republic of Guinea-Bissau, on the occasion of the 46th anniversary of Korean liberation.

According to NODONG SINMUN, President Kim Il-song received a letter from the participants in a meeting for solidarity with the Korean people held in Dar Az Zor [as received] Province, Syria, and a letter of thanks from Ya. T. Novichenko, an internationalist soldier, who was leaving Korea.

"Our Socialism for the People Will Not Perish," a work of the dear leader Comrade Kim Chong-il, was studied and disseminated in different countries, says the paper.

The paper conveys what the world public said about the ideological and theoretical exploits of Comrade Kim Chong-il.

The paper dedicates an article to the 120th birth anniversary of Kim Po-hyon, grandfather of President Kim Il-song and an ardent patriot (August 19, 1871).

The paper gives much space to a report about the increase of the production of iron headings at the Musan mining complex.

Innovations have been effected in the production of electronic and automation equipment and cement and the General Bureau of Maritime Transport is expanding achievements in transport, says the paper.

It is reported in the paper that His Royal Highness Samdech Norodom Sihanouk, chairman of the Supreme National Council of Cambodia, on a visit to Korea hosted a reception upon the successful conclusion of the shooting of a Cambodian feature film.

The paper informs the readers that talks were held between delegations of the Workers' Party of Korea and the Danish Workers' Party, Common Cause, the WPK Central Committee gave a reception for the delegation from Denmark and a 100 odd-member delegation of Japanese lawyers and public figures who defend the human rights of Korean residents in Japan arrived in Pyongyang.

Carried in the paper is the gist of an agreement adopted at the reunification talks of students in the North, the South and overseas for an agreement on the reunification formula and for peace of the country and great national unity which was held in Panmunjom on August 15.

"Line of Great Unity of Nation Is Brilliant Sum Total of Tradition and Experience of National Unity" is the title of a NODONG SINMUN article.

The paper carries the gist of a congratulatory letter sent by coed Yim Su-kyong, the "flower of reunification," to the Secretariat of the South Korean "society for supporting Yim Su-kyong".

The paper in a commentary demands that the United States and the South Korean authorities immediately join in the current of the times toward the denuclearisation of the Korean peninsula.

The paper reports about unceasing military provocations of the South Korean puppets in the Demilitarized Zone.

Papers of Pakistan carried articles supporting the Korean people's cause of national reunification and the Malawi Foreign Ministry backed the DPRK's proposal to adopt a nonaggression declaration between the North and the South, according to the paper.

NODONG SINMUN reports that the PBS [Public Broadcast System] of the United States screened a documentary film showing the different realities of the North and the South of Korea and the Japanese people continue strongly demanding an early normalisation of the DPRK-Japan diplomatic relations.

Carried in the paper are reports that the Indian president called for unity and cohesion of his people and the president of Sri Lanka warned against foreign interference.

The paper deals with the building of new societies in Vietnam, Laos, Thailand, Pakistan, Singapore and Syria.

The paper observes the independence day of Afghanistan.

It runs an article on fierce "rice war" between Japan and the United States and an article on educational crisis in the United States.

South Korea

North Official Proposes Panmunjom Contact 20 Aug

SK1908034191 Seoul KBS-1 Radio Network in Korean 0300 GMT 19 Aug 91

[Text] Choe Pong-chun, responsible liaison official of the North side's delegation to the North-South high-level talks, today sent a telephone message to Kim Yong-hwan, our side's responsible liaison official. In this message, he proposed the holding of a contact between responsible liaison officials at 1000 tomorrow morning [0100 GMT 20 August] in Tongilgak located in the North side's area at Panmunjom in order to discuss working-level issues concerning the fourth North-South high-level talks slated for 27 August in Pyongyang.

Seoul Informs North of Delegates to Talks

SK1708054891 Seoul YONHAP in English 0529 GMT 17 Aug 91

[Text] Seoul, Aug. 17 (YONHAP)—South Korea informed North Korea by telephone Saturday of the names of its seven delegates to the inter-Korean prime ministerial talks in Pyongyang on Aug. 27-30.

Accompanying Prime Minister Chong Won-sik will be Kim Chong-hui, assistant to the president for foreign and national security, as vice senior delegate, Gen. Song Ung-sop of the Joint Chiefs of Staff, Song Han-ho, vice unification minister, Kang Hyon-uk, vice minister of economic planning, Yim Tong-won, chancellor of the Foreign Ministry's institute of foreign affairs and national security, and Yi Tong-pok, a special assistant to the prime minister.

Yi is also spokesman for the southern side.

Further on Inter-Korean Venture Proposals Talks

SK1708070391 Seoul YONHAP in English 0630 GMT 17 Aug 91

[Text] Seoul, Aug. 17 (OANA-YONHAP)—South Korea will propose to North Korea during talks between their prime ministers later this month that they undertake joint ventures in third countries, a well-placed government official indicated Saturday.

Already made through various channels, the proposals include construction in the Middle East and logging in Siberia, he said. They will be made officially during talks in Pyongyang Aug. 27-30.

Seoul and Pyongyang are also discussing joint construction of factories in North Korea arranged through a third country, and there has been marked progress at a private level, he suggested.

President No Tae-u said in a liberation day speech Aug. 15 that he had specific plans for South-North joint ventures. He suggested joint construction of factories in North Korea and development of tourist and natural resources.

Joint projects would ideally combine southern capital and technology with northern labor, the official said.

Details such as area, personnel and cost would be settled with little difficulty once Pyongyang agrees to the proposals, he said.

Envisioned projects include siberian development and the use of North Korean workers on construction projects in the Middle East. If this is successful, the scope of cooperation could well expand, the official said.

On factory construction in North Korea, Pyongyang appears to be favoring a special economic zone bordering the Tuman River, another government source said.

In July, at a conference of the U.N. Development Program, Pyongyang proposed placing the economic zone beside the Tuman River, which borders North Korea, China and the Soviet Union.

The river area may prove difficult for South Korea in terms of location and environmental conditions, but the government could well consider the possibility, the source said.

Seoul To Expand Finance Support for N-S Trade

SK1908020591 Seoul YONHAP in English 0116 GMT 19 Aug 91

[Text] Seoul, Aug. 19 (YONHAP)—South Korea will expand a fund that supports trade with North Korea because the North has become flexible in its diplomatic and economic policies, an official at the Economic Planning Board said Monday.

North Korea will join the United Nations next month and has announced it will develop the Tuman River area into a special economic zone.

The government put 25 billion won (34.48 million U.S. dollars) into the inter-Korean cooperation fund this year to finance trips by businessmen and compensate companies for losses in trade with the North.

Expecting brisker trade with the North, it is considering expanding the fund to 100 billion won (140 million dollars) next year. This is some 85 billion won short of what the National Unification Board asked for.

The Board wants the fund to grow to 300 billion won in 1993 and 1 trillion won in 1996.

Scholar Reveals Kim Il-song 1946-47 Conversation

SK1808030391 Seoul TONG-A ILBO in Korean 16 Aug 91 p 8

[Interview with Pak Il, Korean scholar residing in the Soviet Union, on conversation with Kim Il-song of North Korea in 1946-47 about Kim's personal history, by TONG-A ILBO reporter Kim Cha-su in Seoul]

[Text] "I have never dreamed of the existence of a new world like this."

Soviet resident compatriot Mr. Pak Il, 82, who resides in Alma-Ata, came to Seoul for the first time on 14 August to participate in the Korean Nation's Philosophers' Meeting. He repeated these words several times with tears in his eyes as he toured Seoul, where Korean national flags were flying in celebration of the national liberation anniversary. Vice president of Kim Il-song University in North Korea from September 1946 to February 1948, Mr. Pak gave Kim Il-song and Kim Tu-pong a special secret education on Marxism-Leninism.

Mr. Pak said that General (Romanenko) of the Soviet Forces Command stationed in North Korea instructed him to write Kim Il-song's autobiography, so Mr. Pak had Kim Il-song talk about his personal history.

Mr. Pak still remembers some of his questions and Kim Il-song's answers:

[Pak Il] When and where were you born?

[Kim Il-song] I was born near Pyongyang in April or May 1912. The Koreans in those days were not in a position to remember their birthdays because of the Japanese imperialists' suppression.

[Pak] Where is the specific place you were born?

[Kim] Didn't I tell you it was near Pyongyang? Why do you need the specific place?

[Pak] When did you first begin the guerrilla struggle and carrying a gun?

[Kim] I don't remember when I began it. I began the anti-Japanese struggle out of contempt for the Japanese when I was very young.

[Pak] According to a newspaper report, you were active in Manturia while you were in Khabarovsk.

[Kim] Did you ever conduct a secret underground operation when you were young? If not, don't ask me such a question.

[Reporter's note] Mr. Pak had Kim Il-song tell him his personal history this way, meeting him for 10 to 15 minutes once a week for 13 months, but Kim Il-song seldom told him the truth, evading his questions most of the time. Toward the end of 1947, Mr. Pak reported this to the Soviet Forces Command in two thick notebooks in which he had written Kim Il-song's answers and his opinion. However, the Soviet Forces Command scolded him and told him: "We don't like the Kim Il-song history you wrote. We don't need it." The reason for the criticism of his report was that the report did not contain comments like "Kim Il-song was a genius as a revolutionary standard-bearer from childhood, and had a colorful career in the anti-Japanese struggle."

Mr. Pak believed this incident would lead to his being summoned to the Soviet Union, and kept these notebooks safe, but they disappeared mysteriously one day. He pressed the landlady of the boarding house where he was staying about the notebooks, and she finally confessed that she had stolen them at the instruction of the Soviet Army. Despite his efforts, he was unable to recover them, and he was summoned to the Soviet Union in February 1948. Mr. Pak said he still misses those notebooks very much.

As to his first impression of Kim Il-song, Mr. Pak said: "I thought that he was not knowledgeable nor did he have sufficient qualities to be a leader of the nation." Mr. Pak said that when he was teaching Kim Il-song Marxism-Leninism, Kim Il-song said: "Philosophy is a theory about truth which can be victorious, but political theory is just like a cocoon." This was a shocking remark by Kim Il-song, which Mr. Pak still remembers vividly. Mr. Pak explained the comparison of political theory to a cocoon: Just as one has to kill the pupa inside the cocoon to get silk from it, so one has to victimize the opponent to emerge victorious in politics.

Mr. Pak said that if he met Kim Il-song now, he would ask him, as a teacher from a long time ago: "Tell me honestly who triggered the war on 25 June 1950?"

No Orders Place for 'North Patriot' in Cemetery

SK1708111691 Seoul YONHAP in English 1056 GMT 17 Aug 91

[Text] Seoul, Aug. 17 (YONHAP)—President No Tae-u instructed the Defense Ministry Saturday to secure a tomb in the national cemetery for Cho Man-sik, a national leader whose death was recently confirmed by some former North Korean government officials.

No admired Cho for his "undaunted" effort to repulse a scheme to place Korea under an international trusteeship in the late 1940s.

Cho's late years remained a mystery until recently. Some former North Korean senior officials who have defected to the Soviet Union testified in recent interviews with a South Korean newspaper that Cho was executed in a Pyongyang prison on Oct. 18, 1950.

Cho will be the first patriot missing in the North since the nation's independence from Japanese rule in 1945 to be entombed in the national cemetery.

S-N Natural Gas Joint Venture Possible

SK1808001891 Seoul THE KOREA TIMES in English 18 Aug 91 p 1

[Text] South and North Korea may start a joint venture project to develop a natural gas field on the western continental shelf for the first time since the peninsula was divided in 1945.

According to the informed sources at the government yesterday, an Australian oil company has recently proposed that Samsung Business Group take part in the development of an oil block of Nampo in North Korea where the Australian company had discovered an oil deposit in a joint venture with North Korea.

The sources said the government is considering economic value of the project and will likely give a positive answer to the proposal as a way to speed up South-North Korean exchanges.

"Seoul looks positive about the proposal in the hope that it may help boost economic ties between Seoul and Pyongyang," a government official said.

Drill stem tests (DSTs) have put the flow rate of the natural gas deposit at a meager 235 barrels per day but once the development project proceeds on a massive scale, it may turn into a large natural gas field with high economic value, the official said.

Samsung, uncertain about its economic value, is reportedly willing to take active part in the project in case the government would finance the entire investment cost.

In recent years, North Korea has been active in developing natural gas on the western continental shelf but faced difficulties obtaining technical assistance from the Soviet Union and China.

Instead, Pyongyang has shifted their eyes to the western countries such as Australia, New Zealand and the United States in its bid to seek joint ventures, a government official said.

The official painted rosy prospects for the joint venture resources development projects involving both South, North Korea and western enterprises.

Meanwhile, Pyongyang is also pushing ahead with plans to find crude oil in its territorial waters in the Yellow Sea. It allegedly found a small-scale oil field off the western coast a few years ago.

KBS To Make TV Drama Jointly With North

SK1708093691 Seoul KYONGHYANG SINMUN in Korean 17 Aug 91 p 2

[Text] The Korean Broadcasting System [KBS] is planning to jointly produce a TV drama with North Korea for the first time in the history of broadcast in this country.

KBS has secretly pushed ahead with its plan of jointly producing a TV drama of Chongchun Kukchang by Kim Nae-song with the collaboration of North Korea for these three months. KBS obtained approval from the National Unification Board last July for contact with the North as well as approval of other relevant authorities.

The approval KBS obtained from the relevant authorities means that KBS personnel can visit the North and film the drama in the North Korean area, therefore, if they succeed in the joint production of this drama, it will become the first joint North-South production of artistic works.

For this, KBS is planning to send Chang Hyong-il, deputy director of the Art Department, to Beijing to discuss the joint production of the TV drama with the film people of China and North Korea so that it can begin filming this year if an agreement is reached. The scenes to be used in the drama, "Chongchun Kukchang," are Pyongyang in North Korea and Harbin, Shanghai, Hangzhou, and Changchun of China.

KBS signed an agreement with a Chinese film company last year for cooperation for the filming, and is planning to use (Hwaye Corporation), a Japanese affiliated Chinese film company, for the actual contact for the joint production of the drama with the North. (Hwaye Corporation) maintains exchanges with North Korea's film studio under the direct control of Kim Chong-il. (Hwaye Corporation) has recently conveyed its opinion to KBS saying that it has an optimistic view as to the possibility of the North-South joint production in view of the atmosphere for improvement of North-South relations and in view of the content of the drama.

Mr. Chang said, "If the joint production is realized, we will try to choose a North Korean actor for the hero's part to make the meaning of the joint production greater."

Seoul Urged To Study Reunification Preparations

SK1708041491 Seoul YONHAP in English 0257 GMT 17 Aug 91

[Text] Seoul, Aug. 17 (YONHAP)—South Korea should study how to restructure the industries of both South and North Korea after reunification and work out ways to gradually unify both economies, the Korea Institute of Economy and Technology (KIET) recommended to the government Saturday.

In a report on the direction of South-North Korean integration, the government-run think tank said the preparations were needed to minimize the cost and disruption of unification.

KIET said only 30 percent of East German firms were likely to survive unification and 20 percent of East Germans would lose their jobs, and a similar phenomenon could happen in North Korea after its unification with the more competitive South.

An estimated half the working population of North Korea would have to find a new job or retire when the economies integrate, KIET said, advising the government to seek ways well in advance of developing, with Pyongyang, North Korean industries that can capitalize on its advantages.

Korea, like Germany, was divided into capitalist and communist halves at the end of world war ii.

A senior government official said Friday that if Korean unification followed the German example, it would cost Seoul 140 billion U.S. dollars in the first three years and at least 250 billion dollars to bring the northern economy up to par with the South.

KIET said North Korean firms, with the North's abundant resources, could specialize in energy, metal refining, dyeing, paper manufacturing, steel and non-ferrous metal, cement, mining, forestry and agro-fisheries processing.

Other bright fields for the North were transportation equipment and such labor-intensive industries as textile, garment and footwear production, KIET said. Unlike South Korea, North Korea still has cheap labor.

KIET said it would be desirable if the two Koreas moved from indirect to direct trade and then to economic cooperation step-by-step.

Negotiations will begin with North Korea after South Korea drafts a formula for currency, transportation and transactions with other countries.

Government To Examine Exchanges Through UN

SK1708104091 Seoul YONHAP in English 1013 GMT 17 Aug 91

[Text] Seoul, Aug. 17 (YONHAP)—The South Korean Government is to examine the possibility of promoting inter-Korean economic cooperation through the United Nations' specialized and related agencies once the two Koreas were admitted to the world body next month, a responsible government official said Saturday.

The official said the government will, in an initial step to that effort, discuss inter-Korean economic cooperation in a senior working-level officials meeting of the U.N. Economic and Social Commission of Asia and the Pacific (ESCAP) slated in Beijing from Oct. 28 through Dec. 1 this year.

South Korea will, he added, propose in the ESCAP meeting that feasibility studies for constructing a railway network connecting five Northeast Asian countries—South and North Korea, the Soviet Union, China and Mongolia—be pursued in earnest. The proposal was raised in the last general meeting of the commission.

Yi Chong-mu, director of the Foreign Ministry's International Economic Affairs Bureau, will head the South Korean delegation to the meeting, which is to have preparatory discussions on the main theme of the 48th general meeting of the commission slated for mid-April next year in Beijing.

The official said the working-level conference is expected to focus on discussing practical ways to promote regional economic cooperation in light that it is to be held shortly before the third conference of the Asia-Pacific Economic Cooperation (APEC) in Seoul.

North Korea, the sole regional nation having no membership in the ESCAP, is likely to formally file application for its admission before the 48th ESCAP meeting, it was also said.

Ministry Shocked at Gorbachev's Replacement

SK1908060191 Seoul YONHAP in English 0549 GMT 19 Aug 91

[Text] Seoul, Aug. 19 (YONHAP)—Reports of Soviet President Mikhail Gorbachev's ouster Monday sent shock waves through the Government of South Korea, one of the Soviet Union's newest friends.

Foreign Ministry officials expressed shock at the news reports but declined to comment on the impact of Gorbachev's replacement by Vice President Gennadiy Yanayev on Korea and diplomatic ties between the two countries.

Foreign Minister Yi Sang-ok called a meeting of key Ministry officials shortly after learning the news.

"We are shocked at the news, very shocked," a Ministry official said. He refused to say what implications the sudden departure of Gorbachev has for Seoul-Moscow ties.

Korea and the Soviet Union normalized relations on Sept. 30, 1990, less than four months after Gorbachev and President No Tae-u staged a diplomatic coup in San Francisco, California, by holding their first summit. A second summit followed in December last year and a third on the Korean island of Cheju in April.

The Korean Government went all-out to support Gorbachev's reform efforts and extended 3 billion U.S. dollars in economic aid at the time of normalization.

During the Cheju summit, Gorbachev proposed an agreement on "good neighborliness and cooperation" to No and the two governments are negotiating the terms of the amity pact.

South Korean Ambassador to the Soviet Union Kong No-myung reported to the Foreign Ministry that Moscow was peaceful and that there was no problem for the embassy, Korean trading agents and tourists so far.

A senior official at the ministry said the government was not so pessimistic about future relations between the two countries.

"Acting Soviet President Gennady Yanayev said the temporary emergency measures would not affect international commitments assumed by the Soviet Union under existing treaties and agreements.

"He also said his country would develop further its relations with all states on the basis of universally recognized principles of good neighbourliness, equality, mutual benefit and non-interference in internal affairs of each other," the official cited.

Officials at the National Unification Board expressed concern that if Gorbachev has actually fallen it might adversely affect inter-Korean relations.

"We are worried President Gorbachev's departure may encourage North Korea to stick to its communist system," an official said, adding that such encouragement might hinder the progress of high- level dialogue between the two sides.

South and North Korea are scheduled to hold a fourth round of prime ministers' talks Aug. 27 in Pyongyang.

The official said North Korea could become passive in its exchanges and cooperation with the South if the Soviet leadership turned conservative, noting that North Korea took steps toward reform and opening when Gorbachev was in power.

Another official predicted that the Soviet Union and North Korea would continue their reforms and democratization as the entire world moved in that direction.

Economic Officials' 'Urgent Meetings' on USSR

SK1908102091 Seoul YONHAP in English 0923 GMT 19 Aug 91

[Text] Seoul, Aug. 19 (yonhap)—South Korean economic officials say Soviet President Mikhail Gorbachev's ouster Monday was a blow to growing economic cooperation between Seoul and Moscow.

Urgent meetings were held at the Trade and Industry Ministry and Economic Planning Board to calculate the effect on Korea's 3 billion-U.S.-dollar aid package to Moscow and private exchanges.

"The government fears a substantial setback in mutual economic relations due to the change in the status of President Gorbachev, top controller of bilateral ties," said a government official who declined to be named.

Seoul-Moscow economic relations have grown since normalization of ties in September last year, as reflected in President No Tae-u's visit to the Soviet Union in December and Gorbachev's visit to Korea in April.

Seoul promised in January 1 billion dollars of bank loans, 1.5 billion dollars of tied loans for consumer goods and 500 million dollars for deferred-payment plant exports.

The two countries have signed accords on trade, scientific technologies, investment protection, double taxation and aviation and were to inaugurate a fisheries accord by the end of the month and a maritime accord within the year.

Korea-Soviet trade amounted to 889 million dollars last year, up 48.2 percent from 1989, and 523 million dollars in the first half of the year, up 42.7 percent from a year ago.

Korean investments in the Soviet Union were recently discouraged by political and economic risks.

Soviet Embassy Halts All Work Except Visa

SK1908092691 Seoul YONHAP in English 0912 GMT 19 Aug 91

[Text] Seoul, Aug. 19 (YONHAP)—The Soviet Embassy in Seoul halted all operations except for issuing visas on hearing that President Mikhail Gorbachev had been replaced in a coup.

Embassy officials refused all contact and would not answer calls after Consul-General Lohengrin Eremenko said on behalf of Ambassador Oleg Sokolov, who is on a leave, that he had received no instructions from Moscow. He said he had only the message that Gorbachev had "resigned."

He said visa issuance would continue as long as there were no instructions otherwise.

Four Soviet and two Korean officials at Aeroflot's Seoul office refused to believe Gorbachev had lost power in a coup.

A Korean said there was no change in flight schedules and the 102 children from Chernobyl who took part in the world jamboree would return home on Tuesday as scheduled.

The Soviet Chamber of Commerce and Industry in Seoul was deserted except for a woman receiving phone calls.

She said the four Soviet officials stopped work and left when they received a long telex reporting Gorbachev's retirement.

She said she was inundated with calls from Korean firms asking whether their business would continue with the Soviet Union.

'Political Ripples' From Gorbachev Fall Viewed

SK1908095391 Seoul YONHAP in English 0931 GMT 19 Aug 91

[Text] Seoul, Aug. 19 (YONHAP)—The South Korean Government is most keen to figure out what political ripples will follow the ouster of Mikhail Gorbachev from the Soviet leadership and if it would disrupt its northern policy by which it normalized relations with Moscow last year.

President No Tae-u, who held three rounds of summit talks with Gorbachev in 10 months since june last year, expressed concern about his former summit partner and directed his aides to be in close touch with friendly governments in gathering information on the Soviet situation.

No's aides refused to make public comments on the Soviet situation or to forecast, but one aide said the expulsion of Gorbachev was disappointing because he had "deep understanding" about the political situation in Northeast Asia including the Korean peninsula.

After a speedy warm-up and a surprise summit meeting, Seoul and Moscow normalized diplomatic relations on Sept. 30 last year.

No directed Foreign Minister Yi Sang-ok to grasp the Soviet situation as soon as possible and take cautious steps in close cooperation with friendly countries.

A Chongwadae official said there would be no turning back for the Soviet drive to reform and open, although Gorbachev's departure may delay it to some extent.

"There won't be a big change in the framework of Seoul-Moscow ties," the official predicted, adding the Soviet Union might not be able to solve the international and internal problems it was faced with without the support and cooperation of the West.

Prime Minister Chong Won-sik was deeply worried if Gorbachev's replacement would unfavorably influence the fourth round of inter- Korean prime ministers talks slated for Aug. 27-30 in Pyongyang, an official at the premier's office said.

"There is no change in our northern policy or our pursuit of inter-Korean exchanges and cooperation, but we fear Gorbachev's fall would have adverse effects on our policy," the official said.

A more pessimistic official pointed out that the government's Soviet channel had been too much focused on Gorbachev's men. "If the reformists are ousted too, we may lose contact with Moscow."

Fishing Vessel in Soviet 'Custody'

SK1808035691 Seoul YONHAP in English 0328 GMT 18 Aug 91

[Text] Seoul, Aug. 18 (OANA-YONHAP)—A South Korean fishing vessel and its 13 crewmen are under Soviet custody since Saturday morning when it strayed into Soviet waters after engine failure, officials here said Sunday.

The 106-ton Hyosung-ho last wired the South Korean maritime officials in Chumunjin, Kangwon Province, Saturday afternoon around 1:20 P.M. saying it is being taken by a Soviet vessel.

Hyosung-ho reported that it strayed into Soviet waters after engine trouble. The message said it was on its way out from the zone around 7 a.m. after fixing the engine when the Soviet vessel approached. Hyosung-ho said it was being led away by Soviet officials under strict surveillance.

Foreign Ministry said it is contacting the Soviet side for immediate release of Hyosung-ho Captain Kim Myung-hwa, 36, and 12 other crew members.

The squid boat left a South Korean port last July 31 and was due to return Sept. 30.

ROK-PRC Joint Ferry Service To Open

SK1708070591 Seoul YONHAP in English 0559 GMT 17 aug 91

[Text] Seoul, Aug. 17 (YONHAP)—A South Korean-Chinese joint venture said Saturday it would begin a ferry service between Inchon and Qingdao by Christmas.

Weidong Ferry Co. has had a service between Inchon and Weihai with two sailings a week since last year and plans fortnightly sailings on the new route, a spokesman said.

The 480-seat "Golden-Bridge" will halve its service on the Inchon-Weihai line, he said. It can also carry 90 twenty-foot containers.

Weidong is a joint venture between six Korean shipping firms and two Chinese partners, including the China National Foreign Trade Transportation Corp.

"Opening of the Inchon-Qingdao ferry service was requested by Shandong Province and Qingdao City," he said. "The service will be useful for Korean firms that want to set up factories in the Korean industrial complex in Qingdao."

No Tae-u Meets Japanese SDP Group

SK1708014591 Seoul THE KOREA HERALD in English 17 Aug 91 p 2

[Text] President No Tae-u told visiting lawmakers of Japan's Social Democratic Party (SDP) yesterday that he is pleased to see the party moving toward recognition of South Korea, a presidential spokesman said.

"It is desirable that the Social Democratic Party is making a shift in its unrealistic policy toward Seoul," No was quoted as saying while meeting 11 SDP legislators at Chongwadae.

No is the first South Korean president that has ever met Japanese socialist parliamentarians at the presidential office, Chongwadae spokesman Yi Su-chung said.

During a one-hour meeting, No also praised the Japanese socialist party for paying attention to such issues as the legal status of Korean residents in Japan, Korean expatriates on the Soviet island of Sakhalin and Korean atomic bomb victims.

In a major policy shift, the SDP last month indicated that it would recognize the 1965 Korea-Japan Basic Treaty which normalized bilateral relations.

The main opposition party of Japan also said it would recognize the existence of two sovereign states on the Korean peninsula and that it would support both Korea's entry into the United Nations.

Chongwadae officials said they hope that the policy change will be written into the party's platform during its national convention slated for late this year.

The visiting SDP members asked No to arrange a Seoul visit for party chairman Makoto Tanabe, spokesman Yi said.

As to the concern among some Asian countries on Japan's rearmament, they said their party will try to ensure that Japan contributes to the peace and stability in Asia through nonmilitary means.

The Japanese lawmakers also expressed the hope that Korea will play a leading role in realizing a multilateral security consultative body in Northeast Asia.

No replied that he basically agrees with the idea, but added that for such a mechanism to be realized, countries in the region should first resolve numerous bilateral issues, the spokesman said.

Minister Concerned About Japan's Military Moves

SK1708031591 Seoul YONHAP in English 0253 GMT 17 Aug 91

[Text] Seoul, Aug. 17 (OANA-YONHAP)—South Korean Foreign Minister Yi Sang-ok registered serious concern Saturday about moves by Japan to send its Self-Defense Forces overseas in an apparent bid to become a military power again.

"Japan is apparently trying to secure the legal basis for dispatching its defense forces to the United Nations peace keeping operation (PKO), and we understand Tokyo's efforts to contribute to world peace," Yi told a news conference.

"However, as one of the victims of Japan's past aggression, South Korea cannot but express grave concern about its military move. We believe that Japan's contribution to the world should rather lie with its diplomatic undertakings and economic assistance," he said.

On growing demands in the private sector for Japan to compensate the victims of its 35-year colonial rule of Korea, the foreign minister said inter-governmental negotiations on compensation were legally impossible.

"The South Korean and Japanese Governments, when they normalized relations in 1965, in principle concluded compensation negotiations. It is legally unfeasible to bring up the issue between governments," Yi said.

"The government, however, will continue to talk with Tokyo to remove the hard feelings of the past," he said.

First Egyptian Consul-General Arrives in Seoul

SK1908044191 Seoul YONHAP in English 0255 GMT 19 Aug 91

[Text] Seoul, Aug. 19 (YONHAP)—Muhammad al-Shalqami became the first Egyptian consul-general in South Korea on Monday.

The opening of a consulate-general in Seoul, with which Cairo lacks ambassadorial ties, followed Egyptian President Husni Mubarak's offer of better relations when former Prime Minister Kang Yong-hun was there as presidential envoy in May.

Al-Shalqami 52, joined the Foreign Ministry after graduating from Cairo University's law school in 1962. He has served at the Egyptian embassies in Belgium, Germany, Kuwait, and Vatican City and was deputy director-general of the Foreign Ministry's African Affairs Bureau just before coming to Seoul.

Egypt and South Korea established consul-general relations in December 1961 and Seoul opened a consulate-general in Cairo in May 1962, but Egypt failed to reciprocate.

Kim Yong-sam To Visit Japan, Southeast Nations

SK1608132691 Seoul YONHAP in English 1256 GMT 16 Aug 91

[Text] Seoul, Aug. 16 (YONHAP)—Kim Yong-sam, executive chairman of South Korea's ruling Democratic Liberal Party (DLP), will visit Japan and a few Southeast Asian countries before and after his visit to the U.N. headquarters next month to discuss regional matters of common concern, a senior ruling camp source said Friday.

Kim will leave for Tokyo around September 18 to meet with former Japanese Prime Minister Noboru Takeshita and other Japanese political leaders. He will arrive in New York on Sept. 21 to join President No Tae-u in his visit to the U.N. headquarters, the source said. Kim was originally known to be planning to accompany No in his flight to New York.

No is to make a speech in the U.N. General Assembly on September 24 on the occasion of South Korea's entry into the world body.

On his way home, Kim will tour one or two member nations of the Association of Southeast Asian Nations (ASEAN).

In ASEAN countries, Kim will meet with local government and parliament leaders to discuss ways to promote mutual cooperation and ensure a successful meeting of the Asia Pacific Economic Cooperation (APEC) to be held in Seoul in November, he said.

To Visit Malaysia, Thailand

SK1708084591 Seoul YONHAP in English 0556 GMT 17 Aug 91

[Text] Seoul, Aug. 17 (YONHAP)—Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party [DLP], will visit Japan and two nations in Southeast Asia next month, DLP spokesman Pak Hui-tae announced Saturday.

Kim will visit Tokyo on Sept. 18 for two days to meet with Prime Minister Toshiki Kaifu and former Prime Minister Noboru Takeshita and then go to New York to hear President No Tae-u address the United Nations.

Kim will meet with Koreans residing in the United States while No goes to Mexico following his address at the United Nations. He will join the president in Hawaii on their way home, and then proceed to Southeast Asia, the spokesman said.

The Foreign Ministry is consulting Malaysia and Thailand about Kim's visits.

Seoul Becomes Steel Importer in First Half

SK1908084991 Seoul YONHAP in English 0249 GMT 19 Aug 91

[Text] Seoul, Aug. 19 (YONHAP)—South Korea was a net importer of steel for the first time since 1980 in the first half of the year, the Korea Iron & Steel Association (Koisa) said Monday.

The shortfall was 347 million U.S. dollars as imports rose 40.6 percent and exports 16.6 percent over January-June a year earlier,

Industry analysts attributed the red ink to a near 200-percent jump in construction-related imports such as iron rod and channel as a mammoth government housing project caused high demand.

Falling export prices also contributed to the deficit. Export earnings are off and prices for third-quarter shipments are 30-40 dollars a ton below those of the first quarter, Koisa said.

For U.S.-bound exports, the free-on-board price of color sheet for third quarter shipment is down to 720 dollars a ton from 750 dollars in January-March and cold-rolled sheet fell 30 dollars to 400 dollars. Southeast Asia-bound cold-rolled sheet lost 30 dollars to 440 dollars.

For tin plate, prices are around 520 dollars, a 30-dollar loss, for export to the United States and 550 dollars to Southeast Asia, a 40-dollar loss.

No Tariff Considered for Steel, Electronics

SK1708015191 Seoul THE KOREA TIMES in English 17 Aug 91 p 8

[Text] The government is considering removing customs duties levied on imports of steel, electronics and construction equipment.

The step is aimed at coping with nontariffication being discussed in the Uruguay Round of multilateral trade negotiations spearheaded by the United States.

The United States is calling for the removal of customs duties on the trade of none commodities over the next five or 10 years in the Uruguay Round.

They are steel, electronics, construction equipment, papers, lumber, medicines, medical apparatus, science equipment, non-ferrous metals and fisheries goods.

Against this backdrop, the government plans to remove customs duties imposed on imports of steel, electronics and construction equipment.

The government considers that the removal will be advantageous to Korea in the long run as Korean exports of such products enjoy a substantially high share of the world market.

In reality, the Korean steel industry is highly competitive, while electronics are the nation's largest export item.

However, the government will stick to the imposition of tariff rates on paper, lumber and non-ferrous metals because of their scarcity on the domestic market.

Policemen Sentenced for Beating Student to Death

SK1908085791 Seoul YONHAP in English 0518 GMT 19 Aug 91

[Text] Seoul, Aug. 19 (YONHAP)—The Seoul District Court sentenced five policemen to two to three and half years in prison Monday for beating a demonstrator to death in April.

The heaviest punishment was given to Yi Hyong-yong and the lightest, suspended for three years, to Kim Hyong-tu.

Judge Pak Chun-su said in his ruling that the defendants deserved heavy punishment as they had forgotten their duty to protect citizens and property and had beaten a demonstrator to death with steel pipes and clubs.

The five conscripted policemen chased Kang Kyong-tae, a Myongji University freshman, and beat him to death during a street demonstration near his Seoul campus on April 26.

"However, the students' violent demonstration which went far from the freedom of expression stipulated in the Constitution, the repeated overwork of the defendants, and the psychological burden stemming from the frequent injuries of combat policemen also caused this incident. In giving the sentence, all these factors, the defendants' degree of involvement in the incident and their ages were considered along with the victim's side."

The sentences were about half the prosecution's demand.

Kang's death ignited a string of self-immolations and anti-government protests expanded nationwide until early June, when the manhandling by student activists of prime minister Chong Won-sik turned the tide.

Combat police cordoned off the court and limited public access. Kang's mother and her supporters demonstrated outside the courtroom, shouting for the release of Kang's father, in detention for disrupting a previous court session.

Burma

Status of Another NLD Representative Annulled

BK1608144291 Rangoon Radio Burma in Burmese 1330 GMT 14 Aug 91

["Full Test" of Announcement No. 958 issued by the Commission for Holding Multiparty Democratic General Elections; dated 14 August]

[Text] Subject: Declaration that U David Hla Myint, elected representative [of National League for Democracy, NLD] shall have no right to continue as a People's Assembly representative on the grounds of infringement of Subsection J of Article 11 of the People's Assembly Elections Law and nullification of election of U David Hla Myint as People's Assembly representative.

1. U David Hla Myint was elected as representative of the People's Assembly from Ngaputaw constituency-1, Irrawaddy Division, during the multiparty democratic general elections held on 27 May 1990.

2. U David Hla Myint was tried and convicted by a court under Article 6 of the State Flag Law and had been found to have committed an offense relating to moral turpitude.

3. Therefore, U David Hla Myint shall have no right to continue as a representative of the People's Assembly on the grounds of infringement of Subsection J, Article 11 of the People's Assembly Law and his election as a representative of the People's Assembly has been annulled.

4. It is hereby announced that effective today U David Hla Myint, national registration card no. BSM/W/205856, shall have no right to stand for election as a People's Assembly candidate in elections to be held within 10 years in accordance with Article 80-B of the People's Assembly Law.

By the authority vested in me.

Signed: Aye Maung, secretary.

22 KIA Insurgents Surrender 1-8 Jul

BK1708100391 Rangoon Radio Burma in Burmese 1330 GMT 16 Aug 91

[Text] It has been learned that members of terrorist insurgent organizations who have given up the path of armed struggle after realizing their wrongdoing have been surrendering with arms and ammunition at various military garrisons. The following surrenders took place between 1-8 July:

Northern Military Command: Private Set Maung from the 701st Battalion of the ABSDF [All Burma Students Democratic Front] terrorist insurgent organization surrendered at Mohnyin garrison through the Yinmee Village Law and Order Restoration Council. Pvt. Nauk Kwe from the 255th Battalion of the KIA [Kachin Independence Army] terrorist insurgent organization surrendered at Myothit garrison while school teachers, U Ti Sar and Ma Nan Tawng, from the 1st Brigade surrendered at Myitkyina garrison.

Southeast Military Command: Pvt. Tin Yu Naing from the ABSDF terrorist insurgent organization and Pvts. Than U and Than Win from the 203d Battalion surrendered at Tenasserim garrison. Pvt. Aung Aung Moe from the 102d Battalion surrendered at Kawthaung garrison while Pvt. Aung Kyaw from the 216th Garrison surrendered at Kya-in Seikkyi garrison and Pvt. Aung Ko Ko from the 201st Battalion surrendered at Palau garrison.

Southern Military Command: Pvt. Tin Htwe from the 1st Company, 7th Battalion of the KNU [Karen National Union] terrorist insurgent organization surrendered with an M-16 assault rifle at Shwekyin garrison while Pvt. Bo Aung alias Saw Kyar Pho from the 3d Defense Battalion under the 3d Brigade surrendered at Kyauktaga Township Law and Order Restoration Council while Pvt. Aung Sein from the 1st Company of the 7th Battalion surrendered at Thayethamein garrison in Waw Township.

Westermn Military Command: Pvt. Mohamed Mubine from the RSO [Rohinga Solidarity Organization] terrorist insurgent organization surrendered at (Pingaungbinyin) garrison.

Northeast Military Command: Pvt. Tin Hlaing from the 701st Battalion of ABSDF terrorist insurgent organization surrendered at Mu-se garrison.

Eastern Military Command: Pvt. Sai Tun Hla from the SURA [Shan United Revolutionary Army] surrendered along with an M-16 assault rifle at Mwenawng camp while Pvts. Tun Win and Nandiya surrendered with an M-16 assault rifle and one M-22 assault rifle at Mong Hsat garrison. Pvts. Kyan Ha, Aik Kyee, Aik Saw, and Nat La Hpa surrendered along with two M-16 assault rifles, two M-22 assault rifles, and one M-23 assault rifle at Mong Tong garrison.

A total of 22 terrorist insurgents who surrendered between 1 and 8 July were warmly welcomed by authorities at garrisons concerned.

27 More Surrender 9-19 Jul

BK1808105391 Rangoon Radio Burma in Burmese 1330 GMT 17 Aug 91

[Text] It has been learned that members of terrorist insurgent organizations who have given up the path of armed struggle after realizing their wrongdoing have been surrendering with arms and ammunition at various military garrisons. The following surrenders took place between 9-19 July:

Northern Military Command: Private Tun Tun from the 701st Battalion of the ABSDF [All Burma Students

Democratic Front] terrorist insurgent organization surrendered, together with a M-21 automatic rifle, at Lweje garrison. Sergeant Aye Thein and pvt. Tin Yu; Sgt. Yawja, pvts. Thein Saung, Kyaw Nyi, Kyaw Htay, and Thein Lwin from the ABSDF's 702d Battalion surrendered with two BA-63 automatic rifles, one BA-64 automatic rifle, three M-21 automatic rifles, and one M-22 automatic rifle at Hpakan garrison.

Western Military Command: Pvt. Thein Maung of the Burma Communist Party terrorist insurgent group surrendered at Yathedaung people's police station.

Northwest Military Command: Organizer Htam Kim Yu of the CNF [Chin National Front] terrorist insurgent organization surrendered at Thangtlang Township Law and Order Restoration Council.

Southeast Military Command: Pvts. Tun U, Sar Maik alias Karlu, and Than Aung from the 201st Battalion of the ABSDF terrorist insurgent organization surrendered at Mergui garrison. Pvt. Nyein Hla from the 208th Battalion surrendered with one AK-47 automatic rifle at Shwegun garrison. Pvt. Eiban Nyar Tin from the 216th Battalion surrendered at Kya-in Seikkyi garrison. Khun Kyi Soe, clerk from the Khalegyi custom outpost of the KNU [Karen National Union] terrorist insurgent organization, Captain Kyaw Aye alias Win Nyunt from the natural resource exploration department of the 6th Brigade, his wife Ma Ngwe Than Kyi, sons Kyaw Naing Tun and Maung Maung and daughter Ma Ma, surrendered with one pistol and three American grenades at Myawadi garrison. Pvt. Shwe Win from the regional column of the 7th brigade, surrendered at Pa-an garrison. Pvt. Ohn Kyaw surrendered at Mergui garrison. Po Nyunt, deputy officer-in-charge of land affairs, and Kyaw Tun, deputy officer in charge of forests for the township administration group from the 1st Brigade, surrendered together with two AK-47 assault rifles at Mikayin garrison.

Eastern Military Command: Pvt. Sai San and wife from the SURA [Shan United Revolutionary Army] terrorist insurgent group surrendered with one M-16 automatic rifle at Lai-hka camp.

A total of 27 terrorist insurgents, including family members who surrendered between 9 and 19 July, were warmly welcomed by the authorities concerned at the respective garrisons.

23 More Surrender 20-30 Jul

BK1808151791 Rangoon Radio Burma in Burmese 1330 GMT 18 Aug 91

[Text] Members of terrorist insurgent organizations who have given up the path of armed struggle after realizing their wrongdoing have been surrendering with arms and ammunition at various military garrisons. The following surrenders took place between 20-30 July:

Northern Military Command: Private Baung Du of the terrorist insurgent KIA's [Kachin Independent Army] 3d Battalion surrenderd with one M-21 automatic rifle at Waingmaw garrison. Pvt. Maw Taung gave himself up at Myitkyina. Pvts. Sein Lwin and Htay Lwin of the 254th Battalion surrendered with one M-21 and one M-22 automatic rifle at Bhamo. Pvt. Myo Myo of 3d Brigade's Norawza Hospital gave herself up at Maw Han camp. Pvts. Nawli Bon and Naw Settit of the 10th Battalion surrendered at Tada-seik camp. Pvt. Phone Rai of 3d Battalion surrendered at Waingmaw.

Pvt. Myo Hlaing, alias Maung Aung, of the 701st Battalion of the ABSDF's [All Burma Students Democratic Front] terrorist insurgent organization surrendered at Maw Han camp.

Southeast Military Command: Pvt. Aung Sein Tun of the ABSDF's 807th Battalion gave himself up at Kawkareik garrison. Pvt. Yi Lwin of the 201st Battalion surrendered at Palaw.

Pvt. Maung Lwin of the terrorist insurgent Burma Communist Party's Tenasserim Region surrendered at (Thinn U).

Deputy Office Superintendent Htwe Kyaing of the Mon terrorist insurgent group, MNSP, surrendered with one grenade. Pvt. Soe Naing surrendered with one M-16 rifle at Thanbyuzayat. Pvt. U Min brought along one .30 caliber home-made gun when giving himself up with a Defense Services column (?at Ye). Pvt. Tin Naing of the 811st Battalion surrendered with one M-16 and one 40-mm shell at Mergui garrison.

Sergeant Maung Gyaw of the terrorist insurgent KNU's 11th Battalion, together with his wife, Pvt. Myat Kyu, and others—Pvt. Than Win, Than Nyunt, Tha Pyo, and Maung Thein Aye Naing, alias Saw Belu—surrendered with three AK-47's, 18 M-79 shells, one walkie-talkie, and one grenade at Mergui.

A total of 23 terrorist insurgents surrendered between 20 and 30 July. Hence, a total of 72 insurgents, including family members, surrendered in July. Those who had given up the armed struggle and surrendered after seeing the truth were warmly welcomed back by authorities concerned at the respective garrisons.

Brunei, Malaysia & Singapore

Malaysia

Government To Import Natural Vietnam Rubber

BK1908142191 Kuala Lumpur BERNAMA in English 0831 GMT 19 Aug 91

[Text] Kuala Lumpur, Aug 19 (OANA-BERNAMA)—Malaysia, the world's leading natural rubber producer, has to import some 60,000 tonnes of the commodity from Vietnam this year to ease a supply shortage, Deputy Primary Industries Minister Tengku Mahmud Mansur said Monday.

Malaysia, which produced about 1.3 million tonnes of natural rubber last year, had to buy the commodity from Vietnam "because we did not have enough supply", he told newsmen after Vietnamese Vice-Minister of Agriculture and Food Industry Nguyen Minh Thong called on him at his office here.

Stressing that Malaysia, was, however, not worried about the situation, he added: "Although the cabinet has decided that no new areas would be opened up for rubber estates, we have succeeded in developing new more productive rubber clones which are capable of producing 3,000 kg of natural rubber per hectare per year compared with existing clones producing about 1,800 kg per hectare per year."

"We are buying lower grades from Vietnam to be upgraded to suit the needs of the market, and we may have to continue to do so, depending on market demands," he said, adding that Vietnam did not possess the technology to upgrade the quality of the natural rubber it produces.

Explaining the reason for the supply shortage, Tengku Mahmud said apart from labour shortages, the problem had been aggravated by the conversion of rubber estates to oil palm plantations.

He also said that the the government agency, the federal land development authority, was discussing with Vietnam the possible establishment of a joint venture to develop rubber estates in that country, once a major producer of the commodity.

Referring to his discussions with Thong, Tengku Mahmud said he would be leading a trade mission to Vietnam sometime towards the end of October following a cabinet decision that Malaysia should enhance economic ties with that country, particularly in commodities.

He said Vietnam, which had drafted a five-year development programme to develop its economy, was impressed by Malaysia's technological advancement in the commodities sector and had appealed to Malaysia to help train Vietnamese officials in this sector.

He said Malaysia had agreed to offer training to Vietnamese officials, particularly at the Rubber Research Institute, the National Tobacco Board and Malayan Pineapple Industry Board.

Singapore

Premier Goh Defends Snap Election Call

BK1708152491 Hong Kong AFP in English 1508 GMT 17 Aug 91

[Text] Singapore, Aug 17 (AFP)—Singapore Prime Minister Goh Chok Tong, under fire for calling a snap election two years earlier than necessary, said Saturday that he needed the people's endorsement.

The August 31 vote will be the first for the long-ruling People's Action Party under his leadership.

Responding to complaints by opposition leader Joshua Jeyaretnam that the election was called early to keep him out of the race, Goh said he would call by elections in 12 to 18 months to give him a chance to enter parliament.

A five-year ban on Jeyaretnam from running following a criminal conviction does not expire until November.

"Constitutionally, I am the prime minister with full powers. However, politically I lack political strength because I have inherited the position of prime minister" from Lee Kuan Yew, Goh said.

"Without your endorsement, I will not be able to move quickly and decisively on these programmes," he added, referring to educational, health care and housing initiatives that he said would cost more than 10 billion dollars (5.8 billion U.S.)

"That is why I have called for an early election, at a time when I think the mood is sweet," 50-year-old prime minister said.

Former MP Criticizes Goh on Election Process

BK1808103791 Hong Kong AFP in English 0902 GMT 18 Aug 91

[Text] Singapore, Aug 18 (AFP)—Opposition Leader Joshua Jeyaretnam on Sunday accused Prime Minister Goh Chok Tong of denying Singaporeans free choice in the elections by calling the snap polls while he is still barred from running.

"By rushing the elections before the 10th November, Goh is denying Singaporeans their basic right to vote for a man they have been told should never have been under any disqualification," Jeyaretnam said.

Goh said in a speech Saturday night that it was "an absurd and ridiculous allegation" on Jeyaretnam's part to say Goh had called the polls to prevent the former opposition MP from standing for parliament.

Jeyaretnam was disqualified from politics for five years in November 1986 following a criminal conviction for irregularities in party funds. His disqualification ends on November 10 this year.

He was also struck off the roll of lawyers following the conviction which he appealed to the privy council in London, at that time Singapore's highest court of appeal, and was ordered to be reinstated when it found the convictions were wrong and he was not guilty of the charges.

The law lords in the council had concluded that the convictions to be wholly wrong and brought about by a "series of misjudgements."

Jeyaretnam became Singapore's first opposition MP in 15 years when he won a by-election in 1981.

"Goh is deceitful in suggesting that I only have myself to blame," the former MP said.

The privy council also recommended a presidential pardon for him as it had no jurisdiction over the wrong convictions.

But Jeyaretnam said the president, who acted on the advice of the cabinet, refused his request for a presidential pardon.

Meanwhile, the two main opposition parties contesting the election have agreed to let their members switch parties in order to contest multi-member wards.

Singapore election law requires each four-member party team standing in a Group Representation Constituency (GRC) to have at least one member from a minority race and all members must stand under a single party ticket.

The Singapore Democratic Party and the Workers' Party will allow candidates to switch parties so they present the strongest team possible in each constituency.

Premier Goh Seeks Mandate To Withdraw Fund

BK1808124891 Singapore Singapore Broadcasting Corporation in English 1100 GMT 17 Aug 91

[Text] The Prime Minister Mr. Goh Chok Tong has described the proposed Medifund and Eversave schemes as radical moves. This would be the first time that the government would be taking out money from its federal reserve and future (?services). Therefore, Mr. Goh said he is now seeking the political authority from Singaporeans to do this. He made the point at the dialogue session during his community visit to the Whampoa and Moulmein constituencies today.

Mr. Goh said the government intends to put the Medifund scheme of five billion dollars [currency unspecified] under the charge of a board of trustees. About 300 to 500 million dollars would be accumulated annually in the fund from budget services as the economy grows. Later as the economy grows more money would be put in from budgetary services. Mr. Goh also said another five billion dollars would be set aside for Eversave. However, Mr. Goh asked the grass-root leaders if he had the authority to do so. The prime minister said constitutionally he had the authority but politically he would be careful because it is the people's money.

Mr. Goh further explained that if the elected president's (?scheme) had been [word indistinct] the prime minister would have to get the approval of the elected president before he could take the money out of the reserve. As there was no elected president now, Mr. Goh said he wants a mandate from the people to do so. Mr. Goh reminded the grass-root leaders that 10 billion dollars for Edisave and Medifund would [words indistinct] of Singapore reserve. He stressed that whether the Medifund or Eversave schemes are implemented would depend on the kind business he gets. A very weak signal from the people would mean that they are telling him not to go ahead. He would implement the scheme quickly and decisively if he gets a strong mandate.

Turning to economic goals, Mr. Goh said there is a very good chance that Singapore can have five to seven percent economic growth throughout. Mr. Goh added that investors would be watching the general elections keenly. This is because he is contesting as a new prime minister for a mandate to govern Singapore. Mr. Goh also touched on the exit of the older MPs [members of parliament] and said that nine MPs would be not contesting in the coming elections. He said no matter how the exit of such MPs were managed, people often jump to the wrong conclusion. They assume that something must have happened to their MPs to cause them to be dropped. But he said this is not so as those who stepped aside were very happy and unselfish and understood the need to make way for younger blood. In particular, Mr. Goh paid tribute to two PAP [People's Action Party] MPs for their stepping down—Mr. (Lawrence Chea) of Moulmein and Dr. Augustine Tan of Whampoa.

Mr. Goh has also urged Singaporeans not to be alarmed by military exercises conducted close to the country's borders. He said countries in the region including Singapore hold bilateral exercises with each other and this should be encouraged. Mr. Goh said he understood the reaction of the Singaporeans. A large portion of the population comprises of reservists and they are sensitive and conscious of the Kuwaiti experience. Mr. Goh added that the Defense Ministry still believe that the [word indistinct] be de-sensitized from military exercises close by—especially when it has not been told in advance.

Promise To Hold Byelection is 'Election Ploy'

BK1808143691 Singapore Singapore Broadcasting Corporation in English 1400 GMT 18 Aug 91

[Text] The secretary general of the Singapore Democratic Party [SDP], Mr. Chiam See Tong says the prime minister, Mr. Goh Chok Tong's promise to hold byelections in 12 to 18 months is definitely an election ploy.

At a news conference tonight, he said the ploy was to draw the electorates' attention away from the SDP call to the people of Singapore to treat this general elections as a byelection.

Disappointment With Canadian Air Service Action

BK1708124491 Singapore Singapore Broadcasting Corporation in English 1100 GMT 17 Aug 91

[Text] The Singapore Government has expressed deep disappointment of the Canadian Government's decision to terminate the air services agreement. The Canadian Government served notice yesterday that it intended to terminate within a year the 1987 agreement allowing for air cargo and landing between the two countries.

In a statement, the Singapore Communications Ministry noted that the Canadian Government's action is a setback to bilateral economic relations. Singapore hopes that the Canadian Government will reconsider its [word indistinct] in the wider interest of closer bilateral relations.

The statement said it was certain that the [word indistinct] air links encourages greater contacts on interaction between Canadians and Singaporeans. Businessmen and tourists from both countries are bound to suffer. The Canadian decision came about after months of unsuccessful negotiations between the two countries just as Singapore Airlines [SIA] began a Trans-Atlantic service to Toronto from Singapore via Vienna and Amsterdam. The Canadian Government has claimed that no such use on this route worth obtaining Singapore passengers for the Canada-Europe run.

A flight to Toronto amounted to about 1.5 percent of all Europe-Canada services. The Ministry statement said the Canadian move to (?press) SIA out of Toronto is manifestly unjust and unfair. The decision to terminate the agreement contradicts and undermines Canada's decent and clear statement in support of fair and open competition. As such, it is difficult to accept why Canada considers Singapore Airlines Toronto flight a threat to Canadian air carriers.

Super Puma Chopper Crashes, Two Pilots Killed

BK1908140191 Singapore THE STRAITS TIMES in English 17 Aug 91 p 3

[Text] A Republic of Singapore Air Force [RSAF] Super Puma helicopter crashed into a reservoir near the SAFTI [Singapore Armed Forces Training Institute] training area yesterday morning, killing both pilots.

A third crewman was rescued and flown to Singapore General Hospital.

A Defense Ministry statement yesterday said the helicopter from the 125 [as received] Squadron at Sembawang Air Base was on a routine training flight when it crashed into Poyan Reservoir at about 8.05 am.

Both the pilot Captain Ying Jat Mun, 24, and co-pilot Capt. Poon Kok Seng, 28, drowned, said the statement.

It added that the pilots were found in 4.5 metres of water, still in their seats. Their bodies were recovered by navy divers.

The injured air crewman was identified as Private T. Panneerselvam, 21.

Mindef [Ministry of Defense] is convening a committee of inquiry chaired by a senior civil servant from outside the ministry.

Cambodia

Radio Downplays PRC-SRV 'Red Solution'

BK1708094191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 16 91

[Station commentary: "An Unwarranted Anxiety"]

[Text] Recently, world public opinion, which keeps an eye on the Cambodian situation and the countries involved in the Cambodian problem, has enthusiastically welcomed the achievements of the Cambodian Supreme National Council [SNC] in Phatthaya and Beijing, especially the announcements by the conflicting Cambodian parties that they would implement the unlimited cease-fire and put a stop to the acceptance of foreign military aid. Moreover, the international community has also recently applauded the improvement in SRV-PRC relations brought about by the talks between Comrade Nguyen Dy Nien, deputy Vietnamese foreign minister, and his Chinese counterpart, Xu Dunxin. The talks also brought about the planned visit by Comrade Do Muoi, general secretary of the Central Committee of the Communist Party of Vietnam, to the PRC next September. National and international public opinion consider this to be a promising sign, having a positive impact upon the settlement of the Cambodian problem, which has dragged on for more than 12 years.

However, some circles have expressed worries about both the SNC activities and the improved relations between Vietnam and China because of the two countries' special involvement in the Cambodian issue. Their specific worry and fear is that the Cambodian problem will be settled outside of the UN peace blueprint dated 26 November 1990, and others have even imagined the possibility of the two countries formulating a so-called red solution.

Everyone knows that in view of the framework document hammered out by the five permanent members of the UN Security Council, [UNSC] dated 28 August 1990, the Big Five and the cochairmen of the Paris International Conference on Cambodia have fleshed out a draft peace plan for Cambodia that all the contending Cambodian parties have so far accepted as a groundwork for a settlement of the Cambodian problem. As for the remaining issues, they should be further discussed by the Paris international conference coordinating committee and the SNC. Besides, the draft peace plan should go through the Paris International Conference on Cambodia before becoming an agreement to be implemented in Cambodia. This being the case, pending the approval of the agreement, is it appropriate to leave the Cambodian problem deadlocked, the civil war in the country dragging on, and the people suffering further? The Cambodian issue, including the agreement on a voluntary cease-fire and cessation of foreign military aid, should be tackled step by step. Moreover, everybody knows that the United Nations, a supreme international organ, has been created to safeguard the peace and well-being of mankind in the world. So in the opinion of Cambodians, what the United Nations wants is peace for the Cambodian people, but not to satisfy or please any individual or foreigner. The acceptance by the Cambodian parties of the cease-fire and the cessation of foreign military aid has clearly demonstrated that all the Cambodian parties are currently in the peace process and the rapid headway achieved at this final stage is not being made outside the UN framework. The progress has certainly paved the way toward peace and national reconciliation, which represent the final objective of the draft peace plan of the United Nations.

As for the improved relations between Vietnam and China, they have not affected the UN peace plan in the least. The joint Sino-Vietnamese communique, issued at the conclusion of the talks between Comrade Nguyen Dy Nien and his Chinese counterpart Xu Dunxin, has unambiguously reaffirmed that China and Vietnam want to see a peaceful Cambodian solution based on the plan worked out by the United Nations last year. Recently, Vietnamese Prime Minister Comrade Vo Van Kiet has rejected reports by some countries saying that China and Vietnam have struck a secret deal to resolve the Cambodian problem by deviating from the UN peace plan. But everyone knows that the PRC, a permanent member of the UNSC, has contributed to mapping out the UN framework blueprint for Cambodia. That being the case, there is no reason whatsoever for China to want to have its own document thrown away. Besides, our people think that the aforesaid anxiety is unwarranted and contains foul tricks aimed at prolonging the Cambodian people's suffering. What should be of concern is the recurrence of the danger from the past and the people's ongoing suffering and poverty caused by the civil war and the unfair economic embargo.

Phnom Penh Calls for Control Before Agreement

BK1808091791 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 17 Aug 91

[PRACHEACON commentary: "We demand meticulous control to end fabrication and slander"]

[Text] Recently, while various circles have been paying attention to the Cambodian problem and are waiting to see the outcome of the Cambodian Supreme National Council [SNC]—to be held in Phatthaya, Thailand shortly—foreign sources have reported that UN observers will soon be coming to Cambodia to control the implementation of the cease-fire and the cessation of foreign military aid, both of which the Cambodian parties have in turn voluntarily agreed to at the meetings in Phatthaya and Beijing.

This is thanks to the attention and active [word indistinct] efforts of the UN Secretary General and the Paris conference cochairmen in the search to find a political solution to the Cambodian problem. It is worth noting that the UN timing to send observers to carry out supervision in Cambodia is most appropriate to the work of the SNC and the representatives of the five major powers, along with that of the Paris conference cochairmen and the successive meetings in Thailand.

It is worth recalling that in the past as in the present, following the agreement on the cease-fire and the cessation of military aid to Cambodian parties, the other Cambodian side, particularly the Pol Pot group, has successively violated the agreement. These people have used infantry troops, artillery, and tanks to launch offensives against many positions of the State of Cambodia's troops, mostly in western provinces adjoining the Thai border.

Most flagrantly, on 27 July, up to (?450) Pol Pot troops, brutally (?attacked) Prasat Pheas Commune in Banteay Meanchey Province. They took away six antique bronze statues toward the Thai border, thus causing a clash with the State of Cambodia's forces lasting for many hours. At the same time, they also fired between 500 to 600 mortar and artillery shells on various military bases of the State of Cambodia around Svay Chek, also in Banteay Meanchey Province.

Along with these criminal activities, these people loudly proclaim that troops of the State of Cambodia side are violating the agreement and accuse the State of Cambodia side of continuing to hide many thousands of Vietnamese volunteer troops in Cambodia. It is obvious that all this is pure fabrication and slander, aimed at covering up the maneuver of a satiated monkey smearing leftover food on the mouth of an innocent goat. The truth is that for the State of Cambodia, which controls nearly 100 percent of the country and people, there is no reason for us to violate the cease-fire. On the contrary, it is the other side—which controls not even five or six percent of territory—that needs to expand territory and control more people in order to gain political advantage.

Therefore, it is very important to end the fabrication and slander of the other Cambodian side against the State of Cambodia in order to create an atmosphere of mutual trust in implementing the agreement and further advance the process of establishing peace in Cambodia leading to the convening of the Paris conference. Thus, a meticulous control by neutral obervers is necessary in order to supervise both sides without bias. This ought to be accompanied by the military coordinating committee of the SNC pointing out the place where a violation takes place or other suspicious areas, such as the ones in which Vietnamese volunteer troops are said to be left behind.

We would like to reiterate that the State of Cambodia side is ready to create all kinds of conditions for countries and groups, particularly the obsever group of the United Nations, to carry out inspection of any suspicious areas to eliminate the other Cambodian side's unreasonable accusations. This is aimed at creating an atmosphere of mutual trust, which is an important key to achieving an agreement on the Cambodian problem.

We hold that in this last phase, if the control cannot be carried out meticulously, it is difficult to (?enforce) the implementation of any agreement in the process of finding a peaceful solution to the Cambodian problem.

Hanoi Accused of Continuing To Send Troops

BK1808094191 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 17 Aug 91

[Station commentary: "The war in cambodia can be only brought to an end if Vietnam completely withdraws its aggressor troops from the country"]

[Text] Although the Supreme National Council has unanimously agreed on the implementation of a cease-fire and a cessation of foreign military aid, the present situation in Cambodia remains unstable and insecure due to the insolent violation of the accord by the Hanoi Vietnamese aggressors and the Phnom Penh faction. The Hanoi Vietnamese continue to ship reinforcements to Cambodia, and those Vietnamese stationed in Phnom Penh continue to ceaselessly marshal troops to launch offensives against the resistance forces on every battlefield. Moreover, the Vietnamese and the Heng Samrin faction keep pressing the people's children into the Army to fight and die in their place, and rob and arrest the people everyday.

Those conspicuous activities conducted by the Vietnamese and the Phnom Penh side are gross violations of the agreement on a cease-fire and a cessation of foreign military aid that the Supreme National Council [SNC] adopted at the meetings in the Thai city of Phatthaya and the Chinese city of Beijing, preventing Cambodia from regaining peace, security, and stability. This has infuriated the Cambodian people, who can clearly see that if the Vietnamese continue to hide themselves in Cambodia, the latter can never recover peace, security, and independence. That being the case, the Cambodian people eanrnestly demand that the United Nations dispatch its force to Cambodia as early as possible in order to:

1. Verify the withdrawal of all Vietnamese aggressor forces from Cambodia because up to now there have been countless Vietnamese hidden in the country. They disguise themselves as soldiers in the Heng Samrin Army and administrators in the Vietnamese-organized state authorities; they hide themselves in the forest and assimilate themselves anmong the people; they also function as spies, military advisers, and military experts in all fields. Besides, there are over one million Vietnamese immigrants in the country. Those Vietnamese have carried out all kinds of activities to incite the Phnom Penh side to conduct all manner of maneuvers against national reconciliation and compromise within the framework of the SNC headed by Samdech Norodom Sihanouk, as well as to incessantly harass and oppress the Cambodian people.

2. Monitor the cease-fire and cessation of foreign military aid to the warring Cambodian parties.

In the past, the world and the regional countries have witnessed many unmonitored truce implementations that could never become concrete reality, but remained only on paper. The experiment from 1973 onward shows in particular that after signing the cease-fire accord, the Hanoi Vietnamese still launched offensives against South Vietnam in 1975. Now Vietnam, dealing with Cambodia, has again violated the cease-fire. For this, the Cambodian people demand that the United Nations dispatch its force to implement the control and supervisory work in Cambodia as soon as possible. The force, made up of 500-700 staff, can be sent in at the beginning. Then it can continue to be shipped in until there are sufficient in number. Alternatively, an entire UN transitional authority, consisting of military and civilian staff, can come in straightaway. The wish of the Cambodian people's is only to have a UN supervisory and control force in Cambodia at an earliest date.

SRV Asked To Show Sincerity at SNC Meeting

BK1908095591 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 19 Aug 91

[Political commentary: "Vietnam's sincerity or dishonesty will be brought to light soon"]

[Text] During his recent visit to Bangkok after Beijing, Vietnamese Deputy Foreign Minister Nguyen Dy Nien said Vietnam and China had agreed to join forces with the international community in settling and putting an end to the Cambodian problem. He also said that Vietnam would send a senior official with the rank of a deputy foreign minister to attend the Supreme National Council [SNC] meeting in Phatthaya City at the end of this month. According to Nguyen Dy Nien, the official will act as an observer and help facilitate the talks.

The statement by the Vietnamese minister to honor the promises has, to a great extent, stimulated hope for peace in Cambodia. However, due to our past experience and the particular lessons learnt regarding Vietnam's pledges and actions, we should notice and establish a clear boundary of what Vietnam should do—if it is really sincere—at the next SNC meeting in Phatthaya.

At the Phatthaya conclave, if Mr. Hun Sen's faction accepts the peace plan of the Big Five—to the extent that it consents to delegate all necessary powers to the United Nations, enabling the latter to ensure a neutral political climate in Cambodia prior to elections—, then everything will be all right because this is the known valid and just groundwork for resolving the Cambodian problem though political means. The Cambodian people, the owners of the country, have the right and freedom to govern in place of the Vietnamese-installed regime. On the contrary, if the Hun Sen faction does not allow the United Nations to have essential powers to ensure the neutral political atmosphere before elections, Vietnam must "help force"—we wish to use this word as we want to avoid employing the word "order"—the regime it has installed to hand over power to the United Nations.

Vietnam must help force Mr. Hun Sen's faction to keep its pledge that it will cooperate with the international community in closing the books on the Cambodian problem. Vietnam has no reason whatsoever to tell the international community that it has no authority to compel the Hun Sen faction because it needs to respect the sovereignty of the regime it has supported. The excuse can no longer help Vietnam itself. If Vietnam wants to change itself and give up confronting major countries and the entire international community, the language it uses to excuse itself will constitute a loss for the Vietnamese. The wording reflects the cunning and treacherous nature of the Vietnamese, who are famous in the world for being a malignant race.

We wish to avail ourselves of this opportunity to quote a well-known western newspaper that points out that the unforgettable legacy that Vietnam has bequeathed to the world is nothing but a pack of lies and treachery. Therefore, at this final stage, in order to wash away its disgrace so it can again join the international community and restore its economy, Vietnam should show clear sincerity and accept the responsibility for making Hun Sen's faction delegate its power to the United Nations. It should also endorse all necessary UN measures for guaranteeing everything in Cambodia during the transitional period. This is the only way to show Vietnam's willingness to put a stop to the war in Cambodia, the suffering of the Cambodian people, and the hardship of its own people.

Indonesia

Alatas Returns From Middle East Trip

BK1508115491 Jakarta ANTARA in English 1030 GMT 15 Aug 91

[Text] Jakarta, Aug 15 (OANA-ANTARA) - Indonesia is exploring new forms of cooperation in many fields with Iran, Jordan, and Syria, Foreign Minister Ali Alatas said here Thursday.

The new forms of cooperation with the three Middle East countries were discussed by the Indonesian delegation to the meeting of the Organisation of Islamic Conference (OIC) in Istanbul with delegations from the three Mideast countries before and after the meeting.

The new forms of cooperation would cover industrial sector and joint investment, including technical cooperation, Alatas said upon his arrival here from attending the 20th ministerial meeting of the OIC.

The summit meeting attended by 45 countries was of vital importance because it was the first opportunity for OIC foreign ministers to hold a meeting after the end of the Gulf War, Alatas said.

The Indonesian delegation visited Iran for two days before attending the meeting. They arrived in Jordan on August 9 for a three-day visit after which they continued their journey to Syria also for a three-day visit.

Iran had planned to build three free trade zones and had expressed hope that Indonesia could participate in the development of the zones, Alatas said.

He disclosed that he and Iranian Minister of Post and Telecommunications Mohammad Gharazi had discussed the possibility of the purchase of Indonesian-made telephone cables by Iran.

Alatas said he had exchanged views about the prospect of peace in the Middle East after the end of the Gulf War and efforts to seek settlement to the Afghanistan conflict during his meeting with his Iranian counterpart Ali Akbar Velayati.

According to Alatas, Indonesia and Jordan could develop cooperation in the fields of industry, joint ventures, technological transfer.

Alatas Sees Little Prospects for Peace

BK1608114491 Jakarta ANTARA in English 0859 GMT 16 Aug 91

[Text] Jakarta, August 16 (OANA-ANTARA) - Indonesian Foreign Minister Ali Alatas does not see any prospect for peace in the Middle East in the near future due to Israel's rigid stand.

"Judging from Israel's intention to make its own selection of representatives of PLO to the international peace conference on the Middle East, prospect for peace is still far," Minister Alatas said upon arrival at Sukarno-Hatta International Airport here Thursday after attending a meeting of the Organization of Islamic Conference (OIC) in Turkey.

According to Alatas, there are still frictions among some members of OIC as the impact of the Gulf war, but all members remain fully behind the Palestinians' struggle.

At the OIC ministerial meeting in Istanbul, the foreign minister of Mozambique met with Minister Ali Alatas to convey his government's intention to have diplomatic ties with Indonesia.

The Organization of Islamic Conference in its meeting, among other things, decided to form a special committee to face the current international economic developments such as the European single market 1992.

The special committee is expected to give input to OIC and will be discussed at the OIC summit in Dakar, Senegal in December 1991.

The 21st and 22nd ministerial meetings of OIC will be held consecutively in Sudan and Pakistan.

Minister Expresses Surprise at Gorbachev's Fall

BK1908100791 Hong Kong AFP in English 0943 GMT 19 Aug 91

[Text] Jakarta, Aug 19 (AFP)—Indonesian Foreign Minister Ali Alatas Monday expressed surprise at the unexpected ouster of Soviet President Mikhail Gorbachev.

"The news, for me, came as very surprising and unexpected ... The conditions are still unclear and for the time being I will make no comment," Alatas told journalists at his office.

Alatas, however, said the Soviet Union had changed many of its policies in the past two to three years and had contributed in real terms to fundamental changes in international relations.

"In all those aspects, President Gorbachev has played a central role. Therefore, if he no longer holds the leadership, we should see the implications. Will there be any change in policies? If there are, they would certainly have far reaching consequences," he said.

No Need To Approach Ex-PKI Members in PRC

BK1608131091 Jakarta ANTARA in English 0925 GMT 16 Aug 91

[Text] Shanghai, Aug 16 (OANA-ANTARA) - There is no need for the Indonesian Government to approach Indonesian former Communist Party/PKI leaders now living in China as they are no longer Indonesian citizens, Indonesian Ambassador to China Abdurrahman Gunadirdja said here Thursday.

The ambassador made the remarks in reply to a reporter's question in connection with the issuance of a presidential instruction number 4/91 dated July 29, 1991 which authorized the immigration office to provide licenses for Indonesians wishing to go to China.

So far, such a license has only been granted by a team chaired by Minister/State Secretary Murdiono.

Gunadirja said he did not know the exact number of former PKI members in China, particularly in Beijing, but he believed that they now remained a handful because most of them could have moved to Europe such as the Netherlands and Germany.

"We do not need to be concerned because apart from the fact that they now remain only a handful, they also have become older and older," the ambassador said.

Murdiono said some time ago that the Chinese Government had banned former Indonesian communists from taking part in political activities in that country.

When asked on the effect of the presidential instruction on the volume of goods and passengers coming from both countries, the ambassador hoped that a direct flight between the two states would increase visits exchanged by the two nations.

He explained that the Indonesian flag carrier Garuda Indonesia would start serving in the near future the routes of Jakarta-Medan-Canton [Guangzhou] and Jakarta-Singapore-Beijing. While Air China would serve the route of Beijing-Xiamen-Jakarta.

The direct flight is expected to raise the trade volume of the two countries which in 1990 stood at 1.0 billion U.S. dollars. This year the trade volume is expected to rise by 25 percent.

The trade ties between the two countries have been in favour of Indonesia.

Indonesia is launching a promotion for its robusta coffee which is liked by the Chinese people in order to increase its exports to that country.

Ambassador Gunadirja was speaking to five Indonesian reporters who came to Shanghai to cover the presentation of Indonesian relief aid worth around 100,000 U.S dollars for the victims of floods which have hit that country since June this year. About 1,700 are estimated to have been affected by the floods.

The relief aid includes medicines, food, and clothings which weigh about 21.3 tons.

Memorandum Signed With Iran on Information

BK1508150791 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 15 Aug 91

[Text] Iran will probably buy small earth stations from Indonesia after it imports telephone cables worth U.S. $15 million from this country. Mohammad Gharazi, Iranian minister of post, telegraph, and telephone, said in Jakarta yesterday that Indonesia had offered Iran a digital telephone exchange system and multitext [preceding word in English] transmission equipment in addition to the small earth stations. In the meantime, Iran offered optic fibres to Indonesia.

According to Gharazi, the memorandum of understanding between the two countries stipulates that Iran will serve as a center for disseminating information on Indonesia to the world, particularly the Middle East. In addition, they will exchange personnel and experts in charge of planning, operations, maintenance, research, and development.

SNC Meeting Scheduled To Discuss Controversy

BK1508120091 Jakarta ANTARA in English 1036 GMT 15 Aug 91

[Text] Jakarta, Aug 16 (OANA-ANTARA) - The next Cambodian Supreme National Council (SNC) meeting in Bangkok, Thailand will discuss some "controversial" issues within the framework of comprehensive settlement of the 12-year conflict in the country, Foreign Minister Ali Alatas said here Thursday.

The controversial issues, according to Alatas, are the relations between SNC and the United Nations, future military arrangements, and efforts to prevent the return of the genocide practices.

Upon arrival at the Sukarno-Hatta Airport here from his Middle East trip, Alatas told newsmen that the next SNC meeting is scheduled from August 26 to 28 with the main aim of settling the remaining problems in the long road to reach peace in Cambodia.

Alatas together with his French counterpart Roland Dumas are the co-chairmen of the Paris Conference on Cambodia (PCC).

"The Bangkok meeting hopefully will be followed by a meeting involving the two PCC co-chairmen, the five permananent members of the UN Security Council, and the 12 members of the SNC, he said.

He said that three-quarters of the road to peace in Cambodia have been passed, but the remaining one-quarter of the journey is still full of basic and sensitive issues.

"I would not say that everything is within reach now, but I am optimistic that if the peace process continues like this, a comprehensive political settlement in Cambodia will not be too far away," Alatas said.

Dissidents Call for New National Leadership

BK1808100891 Hong Kong AFP in English 1002 GMT 18 Aug 91

[Text] Jakarta, Aug 18 (AFP)—Indonesian dissident leaders Sunday called for an orderly change in the national leadership to put the country back under more democratic rule.

"The new order government has had the opportunity for 25 years," the group of 50 dissident organisation said in a press statement.

The term new order is used to distinguish President Suharto's government from the old order of Sukarno, the first president since independence in 1945.

"It is appropriate that the general election and the presidential election be returned to their real functions, which are to allow for an orderly change in national leadership," the statement said.

Indonesia will hold a general election in May, the fifth since Suharto came to power in 1966. The presidential election follows in 1993 but the 70-year incumbent has not given any indication whether or not he would stand down.

In his speech Friday to commemorate the 46th independence anniversary, Suharto called on the nation to have the courage to make necessary political reforms but at the same time he said some continuity was necessary.

"Suharto should step down. Twenty-five years is enough," former Jakarta Governor Ali Sadikin, one of the group of 50 leaders, told a press conference held to present the statement.

The group, which comprises many retired generals and former government officials who served under Suharto, dismissed the notion that there were no visible potential candidates to replace Suharto.

The person who held this view was "not only reflecting his feudalistic tendency, but he also doubted the nation's ability the same way the governor general of the Dutch colonial government did" before Indonesia gained independence, the statement said.

The group of 50 cited the government's intolerance to dissent and differences of opinion and parliament's inability to exercise its supervisory role as two examples of constitutional violations in Indonesia.

In Friday's speech Suharto welcomed the increasing political dialogues being held at national level, saying they were signs of freedom and an indispensable factor for democracy.

Army Frees 226 Aceh Secessionist Rebels 16 Aug

BK1608103491 Jakarta ANTARA in English 0938 GMT 16 Aug 91

[Text] Banda Aceh (Northern Sumatra), Aug 16 (OANA-ANTARA) - As many as 226 detainees of the Aceh trouble makers group (GPK) were released by the authorities here on Friday one day before Indonesia celebrates its 46th independence anniversary.

"You are released not because you are not involved in the GPK movement but because the extent of your involvement is considered small and because you have regretted your mistakes," said chief of the Bukit Barisan Military Command I Maj. Gen. R. Pramono before 215 GPK members who were released on Friday in Lhokseumawe (North Aceh).

The Bukit Barisan military commander urged the Aceh people to accept the return to the society of the GPK members, calling on those still hiding to surrender to the authorities before they took harsh actions against them.

In the meantime, chief of the Teuku Umar Military Resort 012 Col. Muhammad Chan also led a ceremony of the release of 11 GPK members in Banda Aceh.

The Bukit Barisan Military Command I has on four occasions undertaken the release of GPK detainees since last year.

Philippines

Aquino Expresses Concern Over Gorbachev Exit

HK1908073691 Hong Kong AFP in English 0726 GMT 19 Aug 91

[Text] Manila, Aug 19 (AFP)—Philippine President Corazon Aquino Monday expressed "grave concern" over the sudden replacement of Soviet leader Mikhail Gorbachev, and said she hoped world peace will not suffer as a result.

"As we wish the USSR well, I view these events with grave concern," Aquino said in a statement.

"We hope that the progress towards world peace ... achieved under the leadership of President Gorbachev will continue to be preserved and enhanced further," she added.

Asked what the president meant, her press secretary Tomas Gomez said "the moves toward peace may suffer some aberrations" with Gorbachev's ouster.

But Gomez said it was "too early to say" whether developments in Moscow will have an affect on a new Philippine-U.S. military base treaty.

The Soviet reshuffle occurred as the Philippines and the United States were finalizing a treaty guaranteeing U.S. access to Subic Naval Base for the next 10 years.

A majority of Filipino senators oppose the treaty, citing the end of the Cold War and the need for Manila to end its colonial ties with Washington.

U.S. officials say the American military presence in the Philippines has maintained stability in the Asia-Pacific region and contained Soviet military ambitions in the area.

Refuses To Comment on Effects

HK1908083591 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 19 Aug 91

[By Dick Sinchongco in Malacanang]

[Text] President Cory Aquino has expressed concern on the fall of Soviet President Mikhail Gorbachev. In a statement, the president said she hopes that the progress toward world peace initiated by Gorbachev's leadership will remain and be advanced. This was Malacanang's reaction to the ouster of Gorbachev in a reported coup d'etat. The president stressed that the world acknowledges the hardship undergone by the USSR, which she said is no different from that experienced by the Filipino people. Malacanang, however, refused to comment on the effect of Gorbachev's fall on the fate of the treaty which will extend the stay of the U.S. military bases in the Philippines.

According to the report, Russian Vice President Yanayev took over in Moscow following the removal of Gorbachev, who introduced the glasnost and perestroyka policy in the Soviet Union.

A state of emergency is currently in force in the Soviet Union, which according to the report will last for six months.

Gorbachev's ouster occurred only a few weeks after the United States and the USSR signed an arms limitation treaty.

Observers say this signals the resumption of the cold war between the two superpowers.

U.S. Said To Need Subic After Gorbachev Fall

HK1908100891 Manila Manila Broadcasting Company DZRH in Tagalog 0900 GMT 19 Aug 91

[Interview with Senator Ernesto Maceda by DZRH anchorman Joe Taruc; italicized portions in English]

[Text] [Taruc] Mr. Senator, may we know your opinion on the removal of Gorbachev from office?

[Maceda] This development is a new development which has a great effect on the U.S. bases talks because our tenants want to make it appear that they are not in dire need of Subic and they can transfer anytime. I think that with this development, they need Subic more now, thus, this is like a new charter given us which we can use as our basis to ask for renegotiation to improve the terms and conditions of the treaty, which might become more acceptable to some members of the Senate.

[Taruc] Mr. Senator, how would you propose to carry out the renegotiation?

[Maceda] *Well it has got to be agreed by the two parties,* because they have already said they don't want a renegotiation. Their statement is something like *take it or leave it,* including Secretary Cheney in Washington. With this development, they will not be embarrassed. *This is a good exit or a good reason to accept a renegotiation in view of what we call changed circumstances occasioned by the end of the Gorbachev era.*

[Taruc] Are you saying Mr. Senator that this development could strengthen the Philippines' position in the negotiation?

[Maceda] What I am saying is that it is clear to me that the Americans could become more determined to retain Subic, *in which case we have a better position to ask for better terms.*

[Taruc] At present Mr. Senator, how many of the Senate members continue to oppose the agreement?

[Maceda] I think more or less 14 or 15.

[Taruc] And they are sure that there will be no ratification if they can not get 16 votes.

[Maceda] That is the situation. *The best thing to do is to try to reopen the negotiations and see what new elements can be introduced.* They don't even want to list down *in an annex* those which they will give us. This is not acceptable. What that means is there is no security. No assurance that the $203 million they are telling us can be received.

[Taruc] So, if there will be changes in the terms and conditions on the agreement, there will be a good possibility that there will be Senate members who may change their positions to ratify the agreement?

[Maceda] That could happen. The possibility is great.

[Taruc] Thank you, Senator Maceda.

Reportage on U.S. Bases Treaty Issues Continues

Salonga Comments on Possibilities

HK1708014191 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 16 Aug 91

[Text] Senate President Jovito Salonga threatened to bring to the Supreme Court the issue on the proposed bases agreement if the U.S. Senate does not ratify it. Salonga said the Supreme Court has the right and sufficient power to declare invalid a treaty entered into by the country if it is not in accordance with the present Consitution. Salonga stressed that if the U.S. Senate does not ratify the new bases treaty, it is not complying with the Philippine Constitution. The Senate president said the Philippine and U.S. Senates must ratify the proposed Republic of the Philippines-U.S. Military Bases Agreement to make it valid.

Effects on Counterinsurgency Plan

HK1708020891 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 16 Aug 91

[Text] Army Chief Major General Arturo Enrile admmitted that the government's counterinsurgency campaign will be badly affected if the Senate fails to ratify the new bases treaty. General Enrile clarified that the Philippine Army's modernization and equipment will be affected bacause it will lose the P1 billion [Philippine pesos] aid which the U.S. gives annually. The lack of equipment, Enrile said, will affect the morale of the soldiers who are in the field fighting the New People's Army rebels. This situation would be considered a victory by the government's enemies.

In this connection, Navy spokesman Commodore Rey Lista said that the Philippine Army's modernization is dependent on the continuous presence of the U.S. military bases. Lista stressed that the capability of the entire Navy would be seriously affected if the new bases treaty is not ratified.

Santiago Urges Treaty Approval

HK1908085491 Manila MANILA BULLETIN in English 18 Aug 91 pp 1, 23

[Text] Former agrarian reform secretary Miriam Defensor Santiago urged the Senate yesterday to ratify the RP [Republic of the Philippines]-U.S. Treaty of Friendship, Cooperation, and Security, after it is initialled this week by representatives of both governments.

"The Senate should support President Aquino and ratify the treaty, because it is a basic principle of political law that the President is the sole organ of the nation in its external relations, and its sole representative with foreign nations," Miriam said.

She batted for the new bases treaty in speeches made before the National Association of Realtors Philippines last Friday in Greenhills, San Juan, and before the Young Orthodontists Association of the Philippines yesterday in Quezon City.

The former Cabinet member said that since most of the senators were elected on President Aquino's ticket, it would be logical for them to support the President by ratifying the treaty, because this is the expectation of the voting public.

"The major opinion polls show that the majority of the Filipinos favor the extension of the treaty. As a political branch of government which owes its existence to the public, the Senate would be wise to heed the sentiments of that public," she said.

Miriam also said that there is no need for the U.S. Senate to ratify the treaty, contrary to the opinion expressed by some senators.

"The Philippine Constitution requires only that this document shall be recognized as a treaty by the United States. The mode of recognition is naturally determined by the U.S. Government. As long as the U.S. recognizes the document as a treaty, it is not within the purview of the Philippine Senate to specify how recognition shall be extended. Such specification would be officious," she said.

Miriam said that last year, she was invited to attend the Williamsburg Conference in Chiengmai, Thailand, which is held annually among young leaders of Asia to analyze political trends in this region.

"The Williamsburg Conference noted the sharp drawdown in the U.S. presence not only in Asia, but also in the rest of the world. This drawdown necessitates a new agreement between our countries, which should cover not only a military basing arrangement, but also a broader bilateral framework," she said.

She said that during her trip to Japan last month, members of the Japanese Diet (Parliament) expressed concern for the continued stay in the Philippines of U.S. military bases, as a geopolitical necessary.

"We need to graduate from an insular to a global outlook in our foreign relations. We must learn to accommodate the principle of burden-sharing, which is now part of international law," she said.

All Bases Issues 'Ironed Out'

HK1908024691 Manila MANILA BULLETIN in English 19 Aug 91 pp 1, 19

[By E. T. Suarez and Rod Villa]

[Excerpt] The new treaty between the Philippines and the United States which would allow the Americans to use Subic Naval Base in Zambales for another 10 years beginning Sept. 17, 1991 will be signed this week as all areas of differences between the panels of both countries have been ironed out.

This was learned yesterday from Malacanang officials who said that the Philippine and the U.S. panels headed by Foreign Affairs Secretary Raul Manglapus and presidential special negotiator Richard Armitage, respectively, have reached agreement on all major issues involved in the Philippine-American Cooperation Talks.

Meanwhile, a big number of pro-U.S. bases House of Representatives members have vowed to mobilize their constituents to vote against reelectionist senators who would reject the new RP [Republic of the Philippines]-U.S. treaty.

President Aquino has affirmed her belief that the phaseout of the U.S. military facilities instead of immediate withdrawal after the existing agreement expires on Sept. 16 will be to the best interest of the country.

Malacanang indicated that the new proposed treaty will be signed this week despite reports that the RP and the U.S. panels remain divided on three basic issues.

It noted that Manglapus and Armitage have agreed on a more rational framework for the often controversial issue of bases-related compensation.

The two panels were reported agreed on such issues as "economic, scientific, technological, educational, health, defense and security matters, and concerns of Filipinos war veterans."

"The focus of attention is not when the new agreement will be signed but whether it will be ratified by the Senate," observers pointed out.

Under the Constitution, a treaty needs the vote of at least 16 senators to become legal and binding.

Reports earlier said that only eight senators will vote for the ratification of the treaty, but after President Aquino talked to the senators, the figure rose to 12.

"It means that four more senators have to be convinced that the new treaty is for the good of the country," a Malacanang source said.

The labor, business groups and local officials have overwhelmingly expressed their support for the ratification of the new treaty,, saying that the nation's condition makes it imperative. [passage omitted]

Signing Expected 'This Week'

HK1908012391 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 18 Aug 91

[Text] The Philippines and the United States are expected to sign a new bases agreement extending the stay of Subic Naval Base for 10 years, this week. Both sides have agreed to retain Subic for 10 years in exchange for $203 million annual rent. The United States will leave Clark Air Base due to the heavy damage sustained from the Mt. Pinatubo eruption. A Malacanang official said Foreign Affairs Secretary Raul Manglapus and U.S. chief negotiator Richard Armitage are now finalizing some major issues relating to the Philippine-American cooperation talks. Manglapus and new ambassador Frank Wisner expressed hopes for the initialing of the final draft this week, which would then be followed by the formal signing of the agreement a few days later.

Implications of Treaty Rejection

HK1908082391 Manila MANILA BULLETIN in English 18 Aug 91 p 1

[Editorial: Is It Time To Discard Our Friendship With America?]

[Text] At no time in history has the burden of decision on an issue of the gravest importance to the Filipino people come to rest on the shoulders of so few. Within a month, the 23 members of the Philippine Senate will decide the fate of the basing agreement with the United States.

President Aquino has now boldly lined up her administration for the approval of the bases agreement, as the better choice for the national interest. For a President who has mustered the most imposing congressional majorities in history, she is now in the strange position of trying to identify her potential supporters in the Senate.

The senators themselves reflect a diversity of beliefs. But surveys conducted in the Senate give the edge to those inclined to vote against a bases agreement.

The most authoritative public opinion surveys, on the other hand, have tallied one uniform conclusion: A clear majority of Filipinos, and a growing one, express themselves in favor of ratification.

The arguments for rejecting the agreement appeal above all to patriotic sentiment. Basically they are anchored to three propositions;

First, and emotionally the most powerful, the bases represent an extension of the period of Philippine colonial dependency on the United States, and their termination is the beginning of true national independence.

Second, the Philippine negotiating panel botched up the job, having to accept compensation that is too meager and duration that is too long.

Third, the closure of the bases will admittedly cause great hardships, especially to the people of Central Luzon, but these will be merely temporary in nature, a price to be endured for the longer-lasting benefits of unfettered sovereignty.

The advocates of ratification argue from different premises. There are those who, like Senator Neptali Gonzales, President of LDP [Labor ng Demokratikong Pilipino/struggle of the Filipino Democrats] assert that entering into an agreement is not a surrender but an active exercise of the sovereign will. They cite other countries with which the U.S. has basing agreements—Japan, Korea, Greece, Portugal, Spain, Turkey, and the United Kingdom—none of which considers its sovereignty impaired by entering into such agreements. These countries are economically much better off than we are. None suffers from any colonial trauma or symptoms of paranoia.

There are those who, like Senator Vicente Paterno, would like to stress the impact of a rejection on the climate of investment, which in turn determines at what rate the economy can create jobs and incomes for Filipinos who are desperately poor. The jobless rate, 20 percent in Metro Manila and 15 percent nationwide, is said to be at a peak in 35 years, not to mention nearly a million people in Central Luzon rendered jobless and homeless by the Pinatubo disaster.

If the agreement is rejected, the Philippines will send a signal, largely unintended, that it is turning inward and opting out of the dynamic global economy. The country's share of foreign investments in ASEAN, now just a measly 5 percent, may shrink further.

Then there are the military leaders who feel that the abrupt cessation of military assistance from the United States, if the agreement is rejected, will hobble the Armed Forces and abort the modernization of the Air Force and the Navy.

The United States government computes total bases-related security assistance at $3.5 billion for ten years. Our own government asserts that with other non-budgetary aid factored in, including local procurement, excess defense articles, trade access, concessional loans, development assistance, food aid, and a regional cooperation fund for Central Luzon, the total benefits for the Philippines wil approximate $900 million a year. These are the benefits that may be foregone if the agreement is rejected by the Senate.

But perhaps by far the weightiest argument advanced for the ratification of the agreement is not so much the compensation or the duration but the preservation of the long-standing close friendship between the Filipino and American peoples. the rejection of the agreement may be construed, rightly or wrongly, as cutting off these close ties. With the ending of the Cold War, the global security alliance led by the United States has not diminished but gained in importance and prestige.

By general consensus, the United States is now the only global superpower. At a time when the friendship of the United States is being courted by its old adversaries, the Soviet Union, Eastern Europe, certain Arab states, and even China and Vietnam, all seeking admission into the dynamic global economy fashioned under American leadership—why should we Filipinos discard our friendship, our partnership with America?

The approval of the bases agreement will not only preserve this close relationship but will raise it to a new level of mutual equality and respect. It will not only help alleviate our present economic plight; it will also help improve the investment climate, access to world trade, and the nation's security.

Navy on Importance of Ratification

HK1908111091 Manila Manila Broadcasting Company DZRH in Tagalog 0900 GMT 19 Aug 91

[By Fernan Imberga of DZRH Unit No. 22]

[Text] The weak forces of the Philippine Navy may lose and completely withdraw from the territorial waters of the country for fear of possible external aggression if the Senate does not ratify the controversial new bases treaty.

This warning came from the officials of the Philippine Navy led by Navy Chief Rear Admiral Mariano Dumangcas Jr., after he faced the Senate to push for the ratification of the new treaty. Dumangcas told Senators Mamintal Tamano and Leticia Ramos Shahani that the operational capability of the Philippine Navy will be rendered useless if the two giant bases of the Americans, including their personnel, are asked to leave the country. The ten-year modernization program of the Philippine Navy will be jeopardized if the new bases treaty is rejected.

Dumangcas also added that the modernization program of the Philippine Navy which has been funded with an initial $95 million will be fouled up if no additional help from the United States will be released should the two American bases be totally withdrawn from the country. In this regard, the job opportunities that may emanate from the modernization program which will pave the way for the construction of an additional 27 coastal patrol stations, will be jeopardized if the treaty is rejected.

Senators Envision Good U.S. Ties

HK1908052691 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 19 Aug 91

[Text] The senators have expressed the belief that the good relations between the Philippines and the United States will remain even if the new Philippines-U.S. bases treaty is not ratified. The details from Jojo Ismael:

[Begin recording] [Ismael] Senate President Jovito Salonga told the Philippine Broadcasting Service that he does not see any reason why the Americans should cut their relations with the Phililppines if the new bases treaty on the extension of the U.S. military facilities in the country is not ratified. Salonga said that the issue of the American withdrawal from the country was resolved a long time ago through a 1988 agreement between Foreign Affairs Secretary Raul Manglapus and U.S. State Secretary George Shultz.

For her part, Senator Leticia Ramos-Shahani, chairman of the senate foreign relations committee, said that the rejection of the military bases should not mean opposition against the continuous relations between the United States and the Philippines.

[Shahani in English—in progress]... on trade, on veterans relations, on science and technology. They also quantified that amounting to a total of 825 pesos... [sentence as heard] [end recording]

Ten-Year Timetable Viewed

HK1908051791 Manila THE CHRONICLE in English 19 Aug 91 pp 1, 10

[By Johanna Son and Manny Mogato]

[Text] The Philippines needs the 10-year timetable set by the new bases agreement to reduce its "heavy" dependence on the United States, both as a source of aid and an export market.

Without sufficient time, the country would suffer "quite significant" losses—including much-needed foreign exchange and a slackening of economic activity in Pinatubo-affected areas—if the U.S. suddenly pulls out after Sept. 16 this year.

This was the theme of the testimonies given by Central Bank Governor Jose Cuisia, Trade Undersecretary Lilia Bautista and Finance Undersecretary Romeo Bernardo before the Senate foreign relations committee Friday.

Military authorities also warned that a Senate rejection of the bases treaty might trigger widespread unrest and demoralization in the armed forces due to lack of resources to deal with internal and external threats.

"We agree that overdependence on any one particular country is economically unsound, but that (diversification) will take time and need structural reforms," Cuisia said.

Since the 1970s, US. economic clout—in terms of percentage of Philippine exports and investments here—has fallen significantly as Manila diversified relations with other countries.

Trade Undersecretary Lilia Bautista reported that the U.S. buys 37.8% of the country's total exports, worth $3.94 billion; and that much of it is tied to healthy bilateral ties. More than 50% of the Manila's trade used to be with the U.S.

In 1970, 87% of total foreign investments came from the U.S., but they have fallen to 57% in 1982, making the U.S. the fourth largest investor after Japan, Hong Kong and Taiwan.

"In 10 to 12 years, we were able to reduce dependence on the U.S., but we're still heavily dependent at this point," Bautista said. "We're trying to diversify, but we still need the time to steer exporters (already familiar with the U.S.) to other markets."

She added that the trade department is deep in talks with the U.S. on a new textile agreement, tariffs on Philippine tuna exports and food regulations.

"We don't want to sound alarmist, but the amounts (of direct losses without a new bases accord) are quite significant," Cuisia said.

The loss of base-related expenditures and Economic Support Fund inflows over the 10-year lease period would cause a "deterioration" in the overall balance of payments of some $360 million a year from 1992 to 2005, Cuisia warned.

Sen. Leticia Shahani, committee chairman, said there was concern that the extension of the bases' stay in the country was "bringing us deeper into dependency on the U.S."

Sen. Wigberto Tanada, addressing businessmen earlier, observed that it was unhealthy for Manila to tie long-term economic interests to mere "trade concessions, which are inherently termporary" and to depend on a country's "benevolence."

Cuisia's computation of direct losses excluded U.S. grants for food and development assistance, which are normally tied to commitments under the bases treaty, and potential losses in U.S. foreign investment due to a "perceived loss of confidence" after a pullout.

Cuisia added that rejection of the bases treaty would "aggravate" the already devastated economy of Region 3, dislocate 82,624 base workers and 250,000 dependents and reduce the region's contribution to gross domestic product.

But the losses from the accord's rejection could "in face be greater if the U.S. Government decides to lessen assistance, or trade preferences are diminished," Cuisia warned.

Briefing defense reporters on the possible security and peace and order implications on the rejection of the agreement, air force officials also warned that the reduction of the armed forces' logistical support would cause widespread decline in the military's professionalism and morale.

But senior officials assured that the armed forces would not launch destabilization moves to pressure the Senate into ratifying the agreement.

"We're not playing politics," air force chief Maj. Gen. Loven Abadia told reporters at Villamor Air Base. "We do not wish to intervene or pressure the Senate to ratify the treaty. We are only stating facts and informing them and the public on the possible repercussions once we lose American military assistance because of the rejection of the new bases treaty."

Other officials said the rejection of the treaty might also affect the level of confidence of troops fighting the rebels in the field as there would be inadequate supplies and other combat-support services like air strikes and troop heli-lifts.

"In case the Senate rejects the new treaty, we will be facing a very tough crisis because we would be confronting huge internal and external treats with very limited capabilities," Abadia said.

He also warned: "How can we fight insurgents if we could not fly our planes and helicopters in three to six months after the Americans leave us with no spares and supplies? How can we protect our maritime borders and airspace if we don't have fighters and ships to offer a minimum power-projection capabilities?"

The armed forces would lose about $2.3 billion in the next 10 years if the bases treaty is rejected by the Senate. For next year alone, the military would lose about P [Philippine pesos] 6.7 billion in military assistance that is needed to sustain the military's counterinsurgency campaign and modernize the military's obsolete equipment.

For intance, annual U.S. military assistance makes up about 63% of the military's logistical requirements. Only 27% comes from the annual appropriations allocated by Congress and which is used for administrative services.

Military Dependence on U.S. Funding Assessed

HK1908034491 Manila BUSINESS WORLD in English 19 Aug 91 pp 1, 8

[By Maricar S. Bautista]

[Text] Panic is a word the military would not ordinarily admit as descriptive of a position or action it takes. But no word more aptly describes last week's reaction of the country's armed forces to the possibility that the new bases treaty would be rejected by the Philippine Senate.

For the whole week, the defense secretary, Armed Forces of the Philippines (AFP) chief of staff and the commanding generals of the different services revealed to media the sorry state of military logistics and capability to stress a point; the Philippines cannot afford to defend itself from external, even internal, threats without the support of the United States through the bases compensation package.

"What we get from the bases agreement is very important because this provides for the needs of our internal security operations," said Defense Secretary Renato S. De Villa.

In fact, he added, over the last five years, the United States, through the Military Bases Agreement (MBA), provided twice the amount Government set aside for the AFP.

AFP Chief of staff Gen Lisandro C. Abadia added that without the bases agreement, the AFP will have to make do with meager government resources. Both stressed that this is not possible, given the current economic situation.

Even Philippine Air Force (PAF) chief Maj Gen Loven C. Abadia predicted that the operational capability of the Air Force would be greatly diminished if the bases treaty will not be ratified.

Grim Scenario

He painted a grim scenario of the country slowly losing its air defense system:

—By December 1992, the country will lose its fighter jets—the F-5a and transport planes—the C-130s.

—There will be no firepower by 1994 as the MG-520 helicopter gunships acquired last year will need spare parts in 1993 (without which these will be mothballed), the S-76 will be retired in September 1993 and the OV-10s, which replaced the Tora-Toras, will experience the same fate as the MG-520s by January 1994.

—There will also be no more UH-1Hs by June 1995. The T-33s will be inoperable by next year, as a matter of fact.

In other words, said Gen Abadia, there will be no "more planes to fly by 1995."

Same Fate

The Philippine Navy (PN), will suffer the same fate as the rest of the military, although it is in a relatively better position than the PAF.

The navy's operational capability will be seriously affected, PN chief Rear Admiral Mariano J. Dumancas said.

They were expecting $1.062 billion in: excess defense articles ($526 million), training ($8.5 million) and repair and maintenance ($12.838 million) in the next ten years.

Included in this amount is the $420-million funding for the Navy's modernization.

(There is an ongoing in country construction project between the U.S. and the PN that will add 78 patrol craft, LSVs [Landing Ship Vehicle] and V-300s to the Navy's inventory, costing $96.834 million.)

The Philippine Army gets the bulk of government funding which, in turn, is mostly used in counterinsurgency operations.

The country's defense system against foreign agression will depend on the Navy and the Air Force.

But, how dependent are these two sectors on U.S. military funding?

Dependence

Based on data provided by the PN, since 1987, the Navy gets an average 28% of its operational requirements from what is available in the bases compensation package—in 1987, 28%, 1988, 18%, 1989, 28%; 1990, 17% and 1991, 49%.

What is truly alarming is the extent of dependence of the PAF to U.S. funding. It gets an average 61% of its operational requriements from the U.S.; in 1987 62%; 1988, 61%; 1989, 60%; 1990, 50%, 1991, 73%.

One air force official expressed fear that in the event the U.S. terminates its financial and logistical support to the AFP, "the air force may become part of the country's ground forces at par with the New People's Army (NPA),"

He added: "Pag nagkaganoon, lamang sila (NPA) sa amin [If this happened, there they would be at an advantage]," citing the NPA's expertise in jungle warfare.

Blame

PAF chief Gen Abadia blamed the inability of the military to wean away from this dependence and modernize, even after decades of U.S. support through the MBA, to the country's different defense concerns, in the 1970s.

"In the '70s, we shifted all our efforts to internal defense, with the rise of the insurgency then," he explained.

Defense Undersecretary Leonardo Quisumbing cited several factors that forced the military to freeze acquisition of modern military hardware and had to limit itself to maintaining what it had.

The Philippine Air Force enjoyed dominanco in ASEAN air defense in 1965 having, at 66, the most fighter jets in the region.

"At that time, from 1965 to 1973, we were well-equipped," said Mr Quisumbing.

He recounted that the first main crisis that affected the equipage of the AFP was the war in Mindanao, where thousands of lives were lost.

He said that war cost in Government a lot of money.

Next, he said, was the energy crisi of the 1970s up to the 1980s.

The very high oil cost siphoned a lot of money and resources, he pointed out.

Aside from these, he said, there was a continuing insurgency war and other threats to security that prompted the Government then to devote the entire AFP and Integrated National Police (INP) budget to counterinsurgency operations.

Consequently, the military had to depend on the U.S. to procure naval and air assets, as well as tanks and armored vehicles for the ground forces.

But the bulk of "direct transfer equipment" from the U.S. were engineering and construction equipment—used in building highways and bridges.

Mr Quisumbing said that during the Marcos Administration, the Government centered on "rice, roads and bridges."

"In exchange for the civic action teams sent by the Philippines to Vietnam, the Government asked for engineering equipment from the U.S.," he explained.

Asked if the U.S. dictated what the Philippines should get from MBA (especially in terms of equipment and military hardware), he answered; "what we were getting were what we asked for... for the purposes we centered on."

He said these concerns were mainly the peace and order situation and internal security.

"As years went by, equipment, spare parts and maintenance continued to spiral," he recalled. The bulk of what the military received went into maintenance which, he said, resulted in what is now perceived as an ill-equipped military.

Our Neighbors

"Comparatively, our neighbor countries developed their economies and improved their financial position, enabling them to develop their defense capability," he went on.

After the withdrawal of other foreign forces in those countries, he said, they continued to achieve self-reliance and modernization.

The Philippines, compared with other AEAN countries, is second only to Brunei with the least defense budget allocation.

Thailand spent $1.7 billion last year for aircraft and firepower acquisition.

Singapore's defense spending last year was a hefty $1.4 billion.

Malaysia, considered by Gen Abadia as the most aggressive country in the region, used up 3.8% of its Gross Domestic Product (GDP), or $1.4 billion, on defense.

Indonesia allocated $546 million for 1990-1991; this amount did not include funds for arms purchases.

Brunei, which became a republic in 1984, spent $197.6 million in 1986.

The Philippines' $750 million defense budget mostly went into fighting the insurgency.

Hardliners

Mr Quisumbing noted, "Although tension has eased in Soviet-American relations—opening a window of opportunity for more peaceful developments for our part of the world—the hardliners of communism are in Asia."

"So," he said, "we are not entirely without problems."

"But to continue force buildup and modernization, the Philippine Government will have to spend an enormous amount of money to modernize without U.S. support.

"Ten years," he said, "is a considerable amount of time (to achieve this goal)," echoing the statement made by Gen Abadia that the (AFP) needs 10 more years of U.S. military presence in the Philippines to become a self-reliant military-capable of defending the country from external aggression.

He said the AFP is trying to gain time to consolidate its resources for external defense.

Not Forever

"The aim is not to be dependent forever," he added.

He explained that although the shift to external defense mode cannot be done immediately, seven to ten years will suffice to prepare the AFP for this purpose.

Under the bases agreement, he added, the equipment, excess articles, and training program will be particularized every year.

He said the country has to build up its defense capability because the Americans are also changing their global perspective.

He added, "We still have the U.S. defense umbrella (for protection beyond air and maritime jurisdiction)."

But with a U.S. withdrawal, he said, the country will have to contribute its share in peace-keeping efforts for the security of the Asia-Pacific region.

Breach of 'One-China' Policy Said Possible

HK1908085191 Manila PHILIPPINES NEWSDAY in English 17 Aug 91 pp 1, 2

[By Arthur I. Bariuad]

[Text] The People's Republic of China (PROC) yesterday warned the Philippine government anew of a possible violation of the One-China policy with the arrival here Thursday of a five-man official Taiwanese parliamentary delegation.

A one-paragraph statement released by the PROC Embassy here noted Beijing's standing policy against "official exchanges" which could breach Manila's One-China declaration.

"We reiterate that the Chinese government is firmly opposed to any official exchanges between the countries that have diplomatic ties with China and Taiwan or to the signing of any treaty or agreement of official nature between them," the statement said.

PROC Embassy spokesman Guo Bao Cheng declined to elaborate.

The PROC statement was issued in reaction to the visit of the Taiwanese mission led by Lin Sung Pan, vice president of Taiwan's legislature.

The group, which arrived on Thursday, was met at the Ninoy Aquino International Airport by Senator Joseph Estrada on behalf of the Senate.

Lin said he would pay courtesy calls on Senate President Jovito Salonga, members of the Senate and possibly even President Aquino. He would also hold talks with other government officials on labor, fisheries, and other issues affecting both countries.

The PROC had in the past raised concern over the increasing official contacts between Manila and Taipei, but the Philippines has always said the trips to Taipei of Cabinet officials lie within the people-to-people level of contacts between the two countries.

During the past few days contacts between the Philippines and Taiwan have intensified despite repeated warnings from Beijing that its relations with Manila would suffer.

Top officials of the Aquino administration last week visited Taipei to seek financial help as well as solve the problem of illegal Filipino workers there. The officials included Finance Secretary Jesus Estanislao, Labor and Employment Secretary Ruben Torres, Central Bank Governor Jose Cuisia Jr. and Economic Planning Secretary Cayetano Paderanga.

Taiwan is the third ranking investor in the Philippines, after Japan and the United States.

Early this month, the PROC indicated it would file a formal protest against the signing of the RP [Republic of the Philippines]-Taiwan fisheries agreement in early July between government representatives of Taiwan and the Philippines.

But Mrs. Aquino, upon the advice of the Foreign Office, was forced to downgrade the controversial pact into a mere "record of discussions." Taiwan said it would also seek clarification on the move, but no formal communication from Taipei on this has been received by Malacanang, which directly handles Manila's relations with Taiwan.

In 1975, when Manila and Beijing opened diplomatic relations, the Philippines adopted the One-China policy, which enunciates its recognition of the Beijing government as the sole and legitimate representative of the whole of China. Beijing regards Taiwan as its 27th province and therefore an inalienable part of its territory.

Aquino, Brunei Sultan Agree To Expand Relations

HK1708083791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 17 Aug 91

[By Dick Sinchongco]

[Text] President Aquino and Brunei leader Sultan Hassanal Bolkiah have agreed to expand cooperation between their countries. In their meeting, the two leaders stressed the need for strengthened relations. The Brunei sultan said relations between the two countries in shipping and communications should also be expanded. Bolkiah assured his oil-rich country's continuous support for the Aquino government. The visiting Brunei leader commended President Aquino on her efforts to uphold democracy in the Philippines.

Meanwhile, Bolkiah cancelled his scheduled visit to the Philippine Military Academy in Fort del Pilar, Baguio City today due to bad weather. Tomorrow, he will go to Corregidor Island with President Aquino. On Monday [19 August], the Brunei sultan will conclude his three-day visit.

Earlier, President Aquino called on Brunei for more trade and investments. The president issued the appeal during a banquet held in honor of the visiting leader, Sultan Bolkiah. The president asked the visiting leader to invest in the country's industrial estates like the Cavite, Laguna, Batangas, Rizal, Quezon, and southern Philippines projects. The president also proposed the establishment of a technical panel by the two countries to study measures for the expansion of cooperation in the field of construction, shipping, communications, and regional security. The president stressed that the Philippines has products and services needed for Brunei's oil industry. Brunei is a small country which is very rich in oil. President Aquino thanked Brunei for the help given to the Philippine Government during the July 1990 killer earthquake, the Gulf crisis, and the Mount Pinatubo eruption.

Laurel: Aquino Planning To Cancel Elections

HK1908104791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 19 Aug 91

[By Restie De Quiros of DZRH Unit No. 8]

[Text] Vice President Salvador Laurel today accused the Aquino administration of secretly creating a way to postpone the holding of presidential elections next year by transforming the Congress into a constituent assembly.

Laurel also revealed that a resolution calling for a change in government from presidential to parlimentary was secretly passed and is now being secretly outlined also in the lower house.

[Begin Laurel recording; in English] And we want to warn the whole nation that the party in power, headed by President Corazon Aquino, is quietly and solicitously planning to change the Constitution; change the present structure of government; cancel the presidential elections; shift back to a parliamentary system; and thereby escape the inevitable judgment of the Filipino people on 11 May 1992. [end recording]

Meanwhile, Laurel also assailed the Aquino government for being confrontational and cruel because of its curtailment of human rights which the people should be entitled to in a democratic country like the Philippines.

[Resume Laurel recording; in English] Clearly dead set in converting the judgment of our people because it does not want to (word indistinct) to the candidates the indefensible; the indefensible record of economic mismanagement and economic bondage; the incompetence in the delivery of basic services; the total breakdown of peace and order; unmitigated graft and corruption; (word indistinct) poverty; an era of unrelenting vindictiveness (word indistinct) in the entire history of our country. [end recording]

Rebel's Demand To Release Detainees Rejected

HK1908091091 Quezon City MALAYA in English 19 Aug 91 pp 1, 2

[By Marie Rose Feliciano with Florencio Narito]

[Text] Acting Defense Secretary Renato de Villa rejected Friday night a demand of the Rebolusyonaryong Alyansang Makabayan [Revolutionary Nationalist Alliance—KAM] that the government release first detained rebel soldiers before talking peace.

De Villa, who attended the state dinner President Aquino hosted for visiting Brunei Sultan Haji Hassanal Bolkiah, said the government and military rebels should not make demands before peace talks start.

"If we are going to solve the whole problem, eh walang demandahan [no filing of suits]. Everybody should have an open mind and there should be no public demand right away because that will (place) one side or the other in a difficult position," he said.

A certain Efren San Fernando, believed to be the pseudonym of a RAM leader, said last week military rebels are willing to meet with Gen. Lisandro Abadia, AFP chief of staff after the government has released detained rebel soldiers.

San Fernando said the release will prove the government's sincerity in attaining national reconciliation.

De Villa said he has not received any "feelers" from the RAM.

Asked where he is hopeful that rebel soldiers will respond to government's peace initiatives, De Villa said: "I'm hoping that we can solve all our internal armed conflicts within the term of the President. I'm hoping that we will have the opportunity to do all of it, we will have the opportunity once and for all to remove the conflicts among all of us Filipinos."

Abadia has said he is willing to grant "concessions" to the rebels. He has ordered the temporary release of two detained rebel officers to contact cashiered Lt. Col. Gregorio "Gringo" Honasan.

Abadia thrice suspended the military offensive against military rebels to convince them to come out of hiding.

Former Defense Secretary Fidel V. Ramos said the country's instability no longer stems from military threats or from the Communist Party of the Philippines-New People's Army but from its "fragmented leadership."

Ramos, a contender for the Laban ng Demokratikong Pilipino [Struggle of the Filipino Democrats] presidential nomination, said in a news conference in Legazpi City the perception that the military is disunited is "inaccurate."

"Only two percent (of the armed forces) has joined the Rebolusyonaryong Alyansang Makabayan-Soldiers of the Filipino People and 98 percent remains loyal to the chain of command," he said.

"The problem of unity is not so much among the people themselves because the people in the countryside are law-abiding. It is the leadership that is not united," he said.

Cuisia: Interest Rates Will Not 'Shoot Up'

HK1908042491 Manila THE CHRONICLE in English 19 Aug 91 pp 1, 9

[By Rodney Diola]

[Text] The Central Bank [CB] won't allow interest rates to run wild late this year in its attempts to stabilize the economy.

CB Governor Jose Cuisia Jr. told bankers in a speech over the weekend that the government will "do a delicate balancing act" on interest rates.

"If they (bankers) think interest rates will shoot up again like last year, they're in for a surprise," he said.

Apparently to prove that the government meant business, it rejected Friday all bids submitted in the weekly Treasury-bill [T-bill] offerings to signal its displeasure over the high rates quoted by securities dealers.

The rejection is expected to force a retreat of the rates this week as the excess funds flood the banking system.

Bankers and economists, however, see the rejection as the start of a classic and chaotic "tug of war" between monetary authorities and the banks over the level where interest rates should eventually settle.

Bankers insist interest rates have nowhere to go but up, given the financial tightness the government is trying to induce under an 18-month economic stabilization program with the International Monetary Fund.

Last week, speculations were rife among bankers of the likelihood that prime rates, or the rates bank charge on loans to their preferred clients, could breach the 30% level late this year with the expected surge in the yield of government securities.

Bankers and traders said the high cost of borrowed funds will result from a likely shootup of one-year T-bill yield to as high as 28% late this year due to CB's efforts to mop up excess liquidity in the system.

A Bank of the Philippine Island [BPI] treasury official said the rejection of all bids Friday virtually demolished those prognoses.

"I think it's moot and academic now. Interest rates will go up, but not as high as to breach the 30% levels," he said. He added prime rates would not go beyond the 25-27% level.

The BPI banker said a rise in lending rates to 30% would dash any hope for an economic recovery.

Another banker believes the government will not allow interest rates to increase to 30% because of the forthcoming elections.

Some economists said the Central Bank's rejection of all bids indicated a more aggressvie CB, confident of its ability to make the banks toe the line.

"The CB had no choice but to reject the bids since the banks were not cooperating," one banker observed.

The move, he said, will result this week in a surge of subscription for CB's instruments designed to mop up excess money. The CB, however, is expected to reduce the yield for 30-day and 60- day CB bills and instruments in the reverse repurchase window now that the banks are desperate to put into productive use the funds rejected in the T-bill auctions.

Some P [Philippine pesos] 7 billion of maturing T-bills are expected to flood the banking system again this Wednesday, which could force interbank call loans rates to the lows again.

Before the latest move from the CB, bankers said many of them were trying to unload their holdings of government securities at a loss, with the prospect of rates even going higher.

Some of them, they said, are giving willing buyers as high as 20% for government securities they acquired at only 16-17% to be able to unload.

A banker from Rizal Commercial and Banking Corp. said the 28% rate for T-bills with one year maturity is still a distinct possibility now that CB has announced its drive against inflation.

"I don't think they're going to be easy in mopping up the P27.5 billion they released into the system by buying $1 billion from the open market early this year," he said.

Dealers, however said the uptick is likely be gradual and predicted that the 28% level will most likely be reached by November or December.

Dealers bid the rate for 91-day T-bills to a high of 22% in last Friday's auction, which would have been a sharp jump for the short-term instrument's average of 19.715% in the previous Friday's auction.

The CB's rejection of all bids, they said, had happened before but did not stop interest rates from breaching the 35% level last year.

Some bankers said that this time, however, fiscal authorities seem to have grown "street-smart" in managing the deficit, thus making it less desperate about sourcing its funds from the open market.

The government has also become more innovative in raising funds by floating long-term Treasury notes. The government will issue again another P2 billion worth of those notes late this month.

Unlike T-bills, where the principal and the interest obligation mature within a year, the floating notes mature in three years.

Some bankers are still reeling from the CB's sudden change of tack and insist that the CB can no longer practise "moral suasion" among banks to bring interest rates down.

"Many dealers who positioned in the previous auctions were burned when CB suddenly reversed its tack about three weeks ago. Now they have to liquefy their positions at a loss," another trader said.

The government may continue rejecting the high rates quoted by dealers, but it has no option but to increasingly accept the offers to raise funds it needed for its operation, he said.

The government is stepping up its spending to finish infrastructure projects months before the May 1992 elections.

The destruction wrought by Mt. Pinatubo in Central Luzon has also increased government need for funds.

The CB may also be encouraging the rise in interest rates to dissuade speculative attack against the peso when the 9% import levy is lifted, other traders said.

As of now, however, bankers said the investment demand for dollars has virtually dried up.

The interest-rate differentials between that prevailing in the U.S. and here in the Philippines are high.

U.S. rates have dropped to around 5.5% to 5.87%, compared with 7% last month, while the rate for 364-day T-bills has soared past 20%.

Trade Secretary Says Exports To Continue Trend

HK1908053091 Quezon City Radyo ng Bayan in Tagalog 0230 GMT 19 Aug 91

[By Tanny Rodriguez from Malacanang Information Service; in English]

[Text] Trade and Industry Secretary Peter Garrucho Jr. reported to the president that he is confident that the Philippines will achieve its revised export target of $8.5 billion in 1991 with the expected expansion of export volume in the second half of the year. Garrucho pointed out in his report that the strengthening of some products, like garments, would increase Philippine exports this year to $9.1 billion. He stressed that the handicraft items and other products would suffer production setbacks due to the Mount Pinatubo eruptions but should be offset by other export items. Garrucho revealed that the receipts from exports went up by 4 percent to $3.407 billion in the first five months of this year, compared to $3.271 billion in the same period [last year]. The leading export products are expected to sustain their strong performance during the second semester of 1991.

According to Garrucho, with an expected modest rebound of the United States from recession, Philippine exports like electronics and garments would gain more orders. In the first half of this year electronics garnered higher export sales of more than 14 percent reaching $829 million from only $726 million in 1990.

In January to May this year, garments exported $683 million up slightly due to a market downtrend in the United States based on official statistics.

Garrucho pointed out that the Philippine exporters of garments achieved stronger sales in European and other nonquota markets. During the second half of the year, Garrucho predicted that chemicals would continue to register strong performance with substantial export shipments from the Philippine Phosphate Fertilizer Corporation. He said, from January to May this year, exports of chemicals improved by almost 27 percent to $128 million from only $101 million in the same five-month period last year.

Meanwhile, Labor Secretary Ruben Torres informed the president that at least 200 [word indistinct] leading companies will participate in two job fairs to be held in the cities of Angeles and Olongapo in September this year. Torres said most of these companies belong to the American Chamber of Commerce in the Philippines. Invariably, this organization is one of the biggest industrial and trade bases capable of absorbing a large number of the skilled workers coming from Clark Air Base and Subic Naval Base.

Torres said about 6,000 workers are scheduled to be laid off from these two U.S. facilities by September 16, after the Americans decided to turn over to the country Clark Air Base and scale down its personnel at Subic. Torres said the job fair at Clark is scheduled to be opened on 2

September with the new U.S. Ambassador to the Philippines Frank Wisner as guest of honor and keynote speaker. He said the participating firms in the job fairs will be provided with hiring booths of the DOLE [Department of Labor and Employment] Task Force Pinatubo, which is in charge of the overall rehabilitation program of the department in the areas affected by the eruption of the volcano. Likewise, the task force will provide the firms with skills summary and manpower registry which, will be at the ritual facility to hiring workers. [sentence as heard]

The labor secretary said the fair in Olongapo City will be held the following Monday, 9 September. He said the same procedure which was patterned after American job fairs will also be implemented.

Thailand

U.S. Drug 'Theory' on Temple Massacre Rejected

BK1808123391 Bangkok BAN MUANG in Thai 18 Aug 91 p 5

[Editorial: "U.S. Accusations"]

[Text] It is such a pity that the cruel massacre of Thai monks and a nun at the Phromkhunaram Temple in the U.S. town of Phoenix in Arizona has been linked to a drug crime by U.S. investigators. The assumption is based on the theory that the living quarters were ransacked but no valuables at the temple were taken.

Buddhists in Thailand are hurt at hearing such an accusation. It is considered both a direct and indirect insult to Buddhism and Thailand. The Buddhist people around the world must also feel indignant at an accusation that lacks evidence to support the theory.

Every religion has its worshippers and its messengers are also venerated by followers. The accusation against Thai monks naturally draws a negative reaction from the Buddhists in Thailand.

Although Thailand is known as a transit point of narcotics trafficking in Southeast Asia, with the various production sources around Thailand, Thailand is not a production source itself, and the Thai Government has been fervent in efforts to get rid of drug traffickers in cooperation with other countries.

The U.S. Government realizes that for a long time Thailand has given full cooperation in efforts to combat narcotics trafficking. Besides, it is not only the production that is responsible for the spread of narcotics trading; it is also the demand for the drugs. Narcotics trading in the United States remains rampant, and the prices are so high due to the great demand in the U.S. markets.

Narcotics suppression will not be successful if attention is given to drug producers only and not to drug users. Drugs sold in the United States are not limited only to heroin from Southeast Asia. There are, as well, cocaine and many other kinds of drugs, in greater quantities. It is therefore a fault on the part of the U.S. Government not to be able to solve the problem of drug addiction among its people.

The charge which linked the murder of Thai monks with narcotics trading is tantamount to directing the blame at the Thai people and the Buddhist religion. It could trigger off a negative reaction that could affect the long-dated and close relations between the two countries. We hope that the U.S. Government will pay special attention to this issue and promptly find a solution.

Anan on U.S., PRC, Japan, SRV Ties

BK1808033191 Bangkok THE NATION in English 18 Aug 91 p B20

["Excerpts" of "exclusive interview" with Thai Prime Minister Anan Panyarachun by Suthichai Yun, editor-in-chief of THE NATION, concerning Anan's "interim government's foreign policy directions," on 9 August; place not given; all ellipses throughout interview as published]

[Text] [Yun] On foreign policy, you were one of the leading foreign policy formulators in Thailand in the past and I am sure you are still very interested in foreign affairs. Can we start with our relations with the United States?

[Anan] As for as the US is concerned, our relations with them are very good now. You can refer to some of the disputes that we had with them, the Super 301 measures, for an instance. But on the whole, I think that the relations are good, quite cordial. The working relationship is also quite good. I think that in our latest negotiations with them on Super 301 the atmosphere has changed.

[Yun] What is the latest situation on Super 301?

[Anan] Well, there are only two pending issues now in the patent row. One is called compulsory licensing and the other is the transitional period. I am rather hopeful that if we intensify the search for a mutual acceptable, mutually beneficial formula, we will see positive results.

[Yun] The deadline is six, seven months from now?

[Anan] Yes, but the sooner we get the problem out of our hands, the better.

[Yun] You intend to resolve it before the interim government goes?

[Anan] Well, I hope so, I hope so.

[Yun] But the military and political relations with the United States seem to have been reduced to a significant level of exposure.

[Anan] Well, that's because there has been momentous changes around the world. I don't think you can compare the 1990 scenario to that of 1975. Now, of course, the basis of the security links is still there but has been reduced in a significant way.

The political relationship is not very good, of course, because of what happened here five months ago. The US still has to maintain an image of keeping its distance from us in some areas, but that has not affected the working and personal relationships. It's [a] question of principle that they would like to see an early restoration of democratic rule in Thailand.

And we tell them that that is what's going to happen. As I said earlier in our programme, we hope that elections will take place early next year.

[Yun] On the personal basis, relations with the American leaders are quite good?

[Anan] Very good.

[Yun] I have a picture here that you may explain to us. We have President Bush here and you here. It was back in 1972 when you were ambassador to the United Nations.

[Anan] And we were colleagues in the United Nations.

[Yun] What happened? This was on the front page of NEW YORK TIMES that day.

[Anan] Yes, yes.

[Yun] What were you talking to Mr Bush about?

[Anan] (Laughs). I could not remember exactly what we were talking about. We both laughed. I think it was the morning after it was disclosed that Henry Kissinger, the former secretary of state, was making a secret visit to Beijing. And Bush was not kept informed and in a way, I am sure he must have felt that the rug was pulled out under his feet because at that time we were working quite closely on the representation question of China. And both Thailand and the US were vigorously supporting the seat for Taiwan in the UN and when there was a disclosure that Washington through Mr Kissinger had a secret conversation in Beijing, that made our move that year very difficult. And Bush, I was embarrassed for him that he was not kept informed.

[Yun] Did you ask him that question?

[Anan] (Laughs). I am sure that was not the question. Well, he was laughing. We must have said something. (Studying the picture closely).

[Yun] That means you have very good personal relationship with Mr Bush. Has he written a leter to you recently?

[Anan] Well, when we were in New York as colleagues, we were quite close, you know, officially and personally. I remember we were their special guests at the Metropolitan Opera House one night and we were taken to see a baseball game. But in the past 16 years, I must say that I have lost contact with him because each of us went our own separate ways. He continued with his political career, while I left the Thai Government service in disgrace (laughs), low profile in the private sector.

So, we did not correspond. We lost touch with each other and I even thought that he had forgotten me until on June 2 when our new ambassador to Washington presented his credentials and President Bush was kind enough to ask about me twice and he used the term, my good friend, my former colleague. So when I got that report from our ambassador, I thought that well, perhaps it was time for me to renew our association. So I wrote him a semi-official letter, mainly to inform him of what our present government has been doing in promoting our good relations. The things that we did either in response to their requests or in response to their interests. Things like the narcotic bills, two bills which we presented to the National Legislative Assembly. The work we were doing to try to find a peaceful solution, a comprehensive political settlement of the Cambodian question and a few other things. So it was an opening for me to renew that friendship.

[Yun] Any plan for you to visit the United States in the immediate future?

[Anan] Er, not in the immediate future but anything can happen. I do not know (laughs).

[Yun] (How about) the report about President Bush's possible trip to Thailand to.

[Anan] No, I think that report is wrong. It's going to be difficult for the US Government to invite me. I am sure that they don't have anything against me, but from the theoretical point of view, I am still illegitimate in a sense because they want to make sure that we go back to democratic rule. And I am still the head of the government that has been installed by the people who seized power. So there is that kind of psychological hang-up in the way. So it's going to be difficult for the US or President Bush to extend an invitation to me now. But of course if we continue to make progress along the path towards the early return to a democratic regime, it's quite possible that they may invite me to Washington or he may visit Thailand.

But perhaps it's more likely that I may be invited to the US because President Bush is a very busy person. He cannot (go) around the world. And the trip he is going to make to Australia, I think in November, as far as we know he has only one other country in mind. I think that's Korea.

[Yun] On the question of an American military presence in the region. There have been reports since the volcano incident in the Philippines, they are looking for other places where they can move their bases to. Is Thailand going to (be the site)?

[Anan] There has been a report to that effect but neither the ambassador nor the commander of the CINCPAC

(Commander of the US Pacific Forces) ever broached this question to me. To me, the question is non-existent.

[Yun] Not yet, anyway.

[Anan] I only speak about the present, never about the future.

[Yun] On Japan, sir, Japan's economic dominance in the region has been (increasing). In fact, our trade deficit with Japan remains quite high. Are you concerned about Japan's economic role or presence in Thailand?

[Anan] We have been concerned with the trade deficit for I think the past 13-14 years in a sophisticated way. But that kind of problem is becoming less and less significant. I think our main interest now is how to increase our exports to Japan. We want Japan to open up its market. We want to be in a position to have greater access to Japanese markets not only in commodities but (also) in manufactured goods as well. I think that there was a time four, five years ago when the trade gap was narrowing. But then with the relocation of the Japanese factories into Thailand—you know, they have about a thousand projects, it was inevitable that we import more and more capital goods from Japan in terms of machinery.

So in the past three years or four years, the trade gap started to widen again. Our Japanese friends have been telling us not to be scared of that, because once all these Japanese factories start churning out products which are exported back to Japan, the trade gap would narrow again. Well, I hope they are right (laughs).

[Yun] Do you think that is going to happen?

[Anan] Well, I think we have to live with this problem for some time. I am sure that in the future as we embark on more and more infrastructure projects, there will be a need to import even more machinery and capital goods from Japan.

[Yun] You are going to visit Japan soon at the invitation of Prime Minister Kaifu?

[Anan] Well, Prime Minister Kaifu has invited me and at one time there was a tentative idea that I would be in Japan in early September. They had suggested the dates, but I thought that in early September, both Prime Minister Kaifu and the other leading politicians in Japan would be preoccupied with the parliamentary debate on military reforms and the election for the new chairman of the LDP (Liberal Democratic Party). So I politely suggested to them that they offer me a few other dates which are more convenient to them. I hate to sort of impose myself on my hosts when I know full well that they will be very busy with their domestic issues.

[Yun] From Japan, you are going to China?

[Anan] The visit to China is more or less fixed. I think that the China trip will occur around September 27. The visit would include Beijing and one other town. It's going to be a three-day visit because I have to come back to be on hand for the emperor and the empress of Japan.

[Yun] The relations with China dates back to the day when you were still negotiating with the Chinese leadership to establish diplomatic relations. Do they still remember you?

[Anan] I think yes. But of course all those who were negotiating with me or who were my contemporaries then have aged and most of them are retired.

[Yun] How do you look at the political situation in China, particularly the Tiananmen incident? Do you take it as seriously as the Americans or do you look at it from a different viewpoint, a sort of more sympathetic and charitable viewpoint?

[Anan] Well, you know Thailand being a small country and we are not a world power and we don't have such... (pauses). We don't have to be so much concerned with things that really concern the great powers on the question of the democratic regime or civil liberty. It does not mean that we are not concerned, but I think the level of concern is relative. And since we are not a big power we know that we don't have any role to play and we don't have any influence on them. So, I personally would view what happened in other countries, be it China or in Burma, as something which are very domestic issues. They have to try to resolve their own problems. If there are any particular issues on human rights or civil liberty if we have concern we just express to them privately. But it's not our business. We are still a very small country and we still have problems at home.

[Yun] So how do you put human rights in your priority scheme of things and policies? Burma is another good case.

[Anan] Well, I personally am a strong supporter of human rights. But I cannot speak for all the Thai people. When I am the head of the government, you know I just cannot let out my own personal views because statements that I make or whatever I do, I do not do it on a personal basis. I do it on behalf of the government. So, it's just like when you ask me certain questions. Sometimes I just say well I am not in a position to express my personal views.

[Yun] But concerning the recent pressure on ASEAN from the Americans and the EC about the question of human rights in Burma, I think ASEAN reacted quite negatively. Could this kind of pressure continue to build up and strain the relationship between ...

[Anan] Well, each (country) must resolve to do its own act. I think they themselves have to do it because of the pressure they get from the Congress or from the trade unions or from the civil right groups which are the strong influential groups in their countries. But, on the other hand, they also understand why we have to adopt certain attitudes. Sometimes we have to go along for public appearances as well. But take Burma as an example.

Though geographically we are neighbours, we may not like certain things they do. We may have grave concerns about a certain policy or certain directions that their government has adopted but we are not in a position to ask them to change the policy. We can try to talk things to them, talk sense to them but they are our neighbours and we have to live with them.

[Yun] So no policy to persuade or discuss with the Burmese people on the question of human rights?

[Anan] We do it but we do it quietly.

We do it Thai-style. We don't have to tell it to Mr Suthichai Yun. We do it in an Asian way and of course we also take care of some of the dissenters and students from Burma who have suffered from the treatment meted out by their government.

[Yun] Is it a typical Thai way of doing things, that is we welcome both?

[Anan] You know we are not Westerners. We are not such nosy people in a way. [laughs].

[Yun] What about Indochina? Vietnam is opening up its door to foreign investment. Vietnamese rice is a competitor against Thai rice. We have had fishermen captured by them.

[Anan] Not this year, though. This year I think we will have a very good chance of maintaining our position in rice exports and the price is getting to be good too.

[Yun] But politically, (how about) our relations with Vietnam?

[Anan] Well, I think at the moment we are quite rapidly developing our relations with Laos. We have focused our attention on Laos because Laos is practically a peaceful country. They are trying to open up their economy and their trust in Thailand is becoming greater, so we try to respond to that kind of approach.

[Yun] Have you broken the barriers of trade with Laos, the monopoly of transportation of ETO (the Express Transport Organization)?

[Anan] Well, there is going to be a new company, it's a joint venture between the two governments. The Cabinet will be considering the prooosal soon ... (pauses) ... bacause according to Article Five of the agreement on the transit of goods, it's the duty and responsibility of Laos to select the new company, which will also have to be endorsed by the Thai Government. That's all. So if Laos wants to select two or three companies, they can do it. We only have to approve them. But this time they select only one company.

[Yun] Will the charges drop as a result because they have been complaining about expensive trnsportation costs?

[Anan] If the company's charges are too high, the Lao Government can select another company.

[Yun] As for trade and investment in Vietnam, are you going to go there to dig for oil?

[Anan] Yes. But there are still some issues left unresolved (on joint exploration and exploitation of gas and oil deposits in disputed areas), some overlapping areas of territorial waters.

[Yun] Is there still political mistrust between Thailand and Vietnam?

[Anan] Well, I am sure that there is still a small degree of mistrust but if you compare this to the picture, the situation, 20 or 10 years ago I think you can say that there is virtually no mistrust any more.

I mean, you don't have to be worried about the size of the Vietnamese Army any more. It may still be large if you count the number of tanks and airplanes that they have, but the point is: Can these airplanes get off the ground? Do they have enough funds to buy oil for the airplanes? And the tanks which have not been used for the past 15 years, can they still run? So that's it. The military capability of Vietnam has been reduced to a large extent and I think that economically they are in a bad situation because of the cut in aid from the Soviet Union and Eastern Europe. In addition, they want to patch up the diferences with China. So the political outlook's vastly changed.

[Yun] On the question of improving relations between Vietnam and China, there is (speculation about) the so-called "red solution' on Cambodia. A number of ASEAN countries have expressed concern that China and Vietnam may be talking about a solution which ...

[Anan] I don't think that's going to be the case. I think that all parties accepted the P-5 documents (a framework for peace worked out by the five permanent members of the UN Security Council). There are still some differences in interpretation and some issues left unresolved on certain aspects of the draft peace plan but I think basically the draft peace plan is going to be "the" one which would spell out the terms of the comprehensive political settlement. I do not believe that there is going to be any deal behind your back or my back.

Anan on Domestic Issues, ASEAN Trade

BK1808022191 Bangkok THE NATION in English 18 Aug 91 pp B1, B2

["Excerpts" from "exclusive interview" with Thai Prime Minister Anan Panyarachun by Suthichai Yun, editor-in-chief of THE NATION, "on a wide range of domestic issues—political, economic, and social" on 9 August; place not given; all ellipses throughout interview as published]

[Excerpt] [passage omitted] [Yun] Looking back five and a half months ago when you decided to take up the offer as prime minister, do you still think your decision at that time to take the plunge was right? Would you have made the same decision again if, say, you could go back on a time-machine?

[Anan] Within the time frame that I had and under those circumstances, I do not regret my decision and I would have made the same decision because the facts which motivated me into accepting this responsibility that were there at that time, are still here at this time.

[Yun] Was there any question lurking in your mind at that time as to whether you should accept the offer?

[Anan] I had to struggle with it myself on philosophical grounds. On the one hand, as it is well known, I was never and I am not an advocate of a change of a regime by extra-legal means. Secondly, I also consider myself to be a pragmatic person in the sense that what is done cannot be undone. But I thought that since it has been done without my participation or my involvement, my responsibility then was to try to do my best not to worsen the situation and that was the only purpose that I had in mind. Of course there are some people who did say that they were quite surprised and were rather disappointed in me, having sort of acquired the credentials of being a liberal and yet by allowing myself to accept an offer from the military. That act could be interpreted as giving legitimacy to the people who seized power. I had to struggle with that philosophical question for quite some time and yet I came to the conclusion that they themselves, the military, perhaps, did not really enjoy what they were doing either. In a way they were forced into it.

Now you may agree or disagree with that kind of contention. But I thought they demonstrated a certain degree of sincerity and in their motives, they demonstrated an acceptable degree of their aspirations. So all these factors came into play when I had to make a decision I did make and I do not regret it.

[Yun] Have you made peace with yourself yet after five and a half months?

[Anan] Once I make a decision, I don't have to get involved in the philosophical question in my mind anymore. I put everything behind me.

[Yun] And what has happened to Mr Anan Panyarachun, the no-nonsense businessman, former diplomat par excellence, cynical social critic who is even at times a jovial, detached outcast, as you once jokingly told friends?

[Anan] (Laughs) Well, I never refer to myself in those terms. These are terms that have been given to me by you and some friends in the fourth estate. Some of them are complimentary and some of them are cynical. No, I take life as it is. It doesn't bother me.

[Yun] Does it mean you have not really changed?

[Anan] I don't think I have changed both in my integrity and my adherence to certain principles and ideas. No, I don't change. I may adopt different ways of handling problems depending on the circumstances and depending on the time factor but basically I don't think I have changed.

[Yun] A lot of people, including foreign observers, were surprised at your ability to hold the government together despite certain scepticism about your ability in yourself and the Cabinet to be able to work independently vis-a-vis the military and the National Peace Keeping Council.

[Anan] Well, I think some of the misgivings were quite valid. You know, when a man has to fit into a job and he has to prove his worth in doing his job and when someone is given a job you don't really know how he would perform until after a few months. I really do not know what their assessments were then or what their expectations were. I hope that I have not disappointed them in my conduct of the affairs of the country.

I always feel honesty is the best policy. Not only honesty in the sense that you are not corrupt, that you make sure there are no conflicts of interest and that you do not abuse your power, but even honesty in the sense that you have to deal with people in an honest way. And I think I have stuck to that premise all along when I deal with the military people, with other government bureaucrats and with my colleagues in the Cabinet.

Yes there are differences of opinion and I respect the views of others but if you deal with them in an honest way, in a manner that relfects your impartiality, your judgement and your rationality I think you can make people understand as to why you do certain things in a certain way and as to why you do not do certain things.

[Yun] Why did they (the military) allow you to be so free and independent?

[Anan] Well I suppose, to a certain or great extent they trust me and I do also trust them.

[Yun] Why do you trust them?

[Anan] Well, you always have to give people the benefit of the doubt unless you are proven to be wrong and so far there is no reason to change that basic link.

[Yun] A lot of people would like to know the time frame leading to the election and how soon we would go back to democracy.

[Anan] Well, I can't give you an answer offhand but I think the game plan—of course, I have nothing to do with the drafting of the constitution—is that now that the draft has been completed, and submitted to the National Legislative Assembly on August 14, the expectation is that the assembly will take about two months or about 10 weeks to debate and approve the constitution. Hopefully, by the end of October or by early November we would have some idea as to when the election will take place. I'd like to see it take place by January or February. That's my personal wish but it is something over which I have no control.

[Yun] So how would you like foreigners and the international community to look at Thailand in the near future?

[Anan] As far as the economic front is concerned, I think that it's already an established fact that irrespective of the nature of the government in Thailand and how it came to power, Thailand will continue as it has in the past 30-40 years and we would continue and further intensify our efforts to achieve a more open economic regime and society in which protectionism would play a lesser role and competition would be the name of the game.

I think as far as the economic picture is concerned, that will continue.

As far as politics is concerned, of course there were a number of negative factors which are still associated with Thailand; one is political instability as seen from the foreign point of view and another one is corruption.

As for politics, we have to leave that to the new constitution and to the new Parliament. I hope that the new constitution and the new government would ensure or would at least project a calmer and a more stable picture to the foreigners. Unfortunately as a government now we don't have much of a role in the construction of that kind of a picture.

But insofar as corruption is concerned, I personally, and I think the entire Cabinet, have demonstrated to the people at large and also to foreigners that while corruption is an endemic disease which prevails in every society, at least we can produce a government which is honest, which is not corrupt.

And I hope that that kind of message will sift through the entire bureaucratic machinery and also will be a lesson to be learned by those who may come into power in the future.

I think foreigners, particularly investors and businessmen, want to have business deals with Thailand if they are convinced that here you can have such a government which is honest, not corrupt, which is trying its best to be accountable to the public and which will look after the public interests.

[Yun] Do you think it's still possible to have that kind of government through an election?

[Anan] I am not a fortune teller.

[Yun] But based on your experience in Thailand, do you think that is still possible?

[Anan] Anything is possible in Thailand. Look at the way I was made prime minister. I think we have been independent for 800 years and so in spite of our shortcomings in our society, we have managed to survive as an independent and a fairly prosperous nation. So there must be something inherently good in the Thai people. In Thailand we call it Phra Siam Thewathirat [the Divine Protector of Thailand], which is not easy to translate and explain. Whoever he or she may be is helping the government to look after the interests of the nation.

[Yun] Mr Prime Minister, your economic agenda is to lay the groundwork for future restructuring and in fact some of the restructuring is already happening in the country's economic structure to curb monopolies, privatize state firms, and revamp the tax regime, etc. Do you see these priorities being continued in the future? How can you ensure that your intiatives will be advanced by the new government?

[Anan] Well, I happen to believe that when you start a new process—and what we have been doing in the past five months is, in a way, quite revolutionary in our thinking and in the application—and once you set in motion a new process, it gathers momentum of its own and as we go along—and we'll have about six or seven more months to go, I am sure that by the end of our term, the things that we have already started to do and are still doing, will be in place by the time that we leave. The momentum is there and I think what we have been trying to do has received fairly popular support.

I am not saying 100 per cent support, but to me, and I have taken particular care in listening to the views of dissenters, we always try to engage in serious and intensive consultation with those parties to be affected by the new programmes and the new measures. We take those views into account and we try to modify our original plans or projects. So the result is that I think the public sector or the private sector feel that their input has not been in vain and that their input has also become part and parcel of the new programme.

Of course, there will be some side effects, there will be some short-term loss of benefits but if we manage to convince them that in the long run what we are trying to do would serve the interests of the nation as a whole, it would serve the state as well as the private sector.

So far, I think that the opposition has not been that large. So I think the momentum would be carried on and I do not think the process can be reversed.

[Yun] Specificially, what about the tax restructuring for corporate tax and personal income tax that are in the works now?

[Anan] Well, that's the package to be presented to the Cabinet next month.

[Yun] Can you give a broad picture or outline so that businessmen and...?

[Anan] I have not seen the details but you know the new tax regime or the restructuring of the tax regime has three purposes. One, is to restructure our industries and, two to liberalize the financial regime and, thirdly, to promote savings within the country.

So most of our tax measures in the last series and in the next package to be presented next month would have those three objectives in mind. It's quite possible that we would reduce the income tax levels and (that we) will reduce the import duties and import tariffs on raw materials and components. We also will try to direct our new tax regime to promote further investment from abroad as well as investment within the country. You see in the past our tax regime was rather distorted and was rather inequitable.

We also intend to broaden the tax base. We've already introduced to the public and presented to the assembly the value added tax (VAT).

And we intend to strengthen the securities market, the Stock Exchange (of Thailand). We are doing a few other things which in my view would make Thailand more flexible, more competitive and would enhance our role in the international economic system.

[Yun] Are we competitive enough now in the regional context?

[Anan] I think so. That's why for the next ASEAN summit meeting in Singapore, I have directed our ministers to get out a paper, a working paper which would aim at the creation of a free trade zone among ASEAN countries. Of course initially not all six have to be in. There will be sort of different time frames.

The idea is to try to harmonize the tariff system of all our ASEAN nations. If you look at the picture 10 or 20 years ago, most of the products that we (in ASEAN) produced were practically the same. But now with the broadening of our industrial bases (and) with the emergence of the new financial sector and the service sector, I think we should now think seriously of harmonizing our tariff systems.

Of course all of us have textile industries and we are still competing (against one another) but the relocation of the Japanese factories into Thailand, into a few other ASEAN countries, has also broadened the base. So I think that there can be what I may call a cooperative competition among ASEAN countries.

If you manage to get these six fragments of markets not only into one single unit, that would be in 15 years, but into some kind of a larger ASEAN market, that would have the benefit of attracting further foreign investments into the area because the market is going to get larger.

[Yun] In practical terms are you suggesting (something) similar to an ASEAN tariff code to streamline policy on foreign investment?

[Anan] The objective is to get the ASEAN tariff down.

[Yun] How do you see the free trade zone coming into reality?

[Anan] Well, they are still working on the working paper so I'd better not say anything that may go against the papers that my ministers are concocting now.

[Yun] Has it been approved or endorsed by a number of countries in ASEAN?

[Anan] The basic idea, I talked over with the prime minister of Singapore and also with Mr Lee Kuan Yew. I have sent messages to our friends in Indonesia, Malaysia, the Philippines and Brunei but we have to await the first working paper from Thailand, and then we would consult with our friends.

[Yun] Do you see any impediments, obstacles?

[Anan] I have yet to see the paper (laughs). No I don't think so.

[Yun] And Malaysia's proposal to set up the so-called East Asia Economic Grouping?

[Anan] Yes, but that is a parallel effort. That's merely a consultative forum which would include ASEAN countries and all countries in East Asia. It has a different objective.

[Yun] Have you given your blessing to that concept?

[Anan] Yes, in a qualified manner.

[Yun] Why do you have reservations?

[Anan] Because they are still working on the final paper. Yes, we have given blessing to the initiative, to the idea, but the officials are still working on refining the paper.

[Yun] The "privatization" plan that you have been working on: You don't want to use that word publicly because it may be too sensitive an area...

[Anan] No I don't think it's the case any more; I think we can use that word now.

[Yun] How far has privatization gone under your government?

[Anan] Well, I think in a way the telephone agreement that we signed with the CP group (Charoen Pokphand Group) is one mode of privatization. Thai (Airways) International is also moving in another direction in privatization. There are many ways, many forms and different degrees of privatization. The EGAT [Electricity Generating Authority of Thailand] is also moving in another direction. I think the EGAT model could also be followed by some other state agencies.

My guideline is, yes, there is a need to privatize. You may privatize the future activities of an organization. If a state agency wants to expand or wants to buy more planes or wants to make a rather large investment they need capital. So, there are different ways of acquiring that capital. You can take it to the stock market or you can do several other things. But before you adopt a model you must make sure that that model is acceptable both to the management and to the workers themselves because you don't want to create a crisis situation in a state enterprise.

It's not politically feasible and it's not economically wise to stir up a strong opposition to whatever plan you have in mind. So I believe in consultation and I believe in compromise. I believe in being pragmatic.

[Yun] Is that the new Mr Anan, more flexible, more compromising?

[Anan] No, I don't compromise on principles. I can compromise on the modalities, on the methods.

[Yun] What's the future plan for privatization? Any particular types of steps which you want to see?

[Anan] We have had studies from consulting firms in the past and I have asked the NESDB (National Economic and Social Development Board) to present to the Cabinet quite soon what the totality of the plan is. And I think it must be left to the organizations concerned as to how they want to privatize.

It's not the job of the government to impose our feeling or our modality on each and every state enterprise. It has to come up from the grassroots. We can give certain directions, though.

[Yun] (How about the) problems of infrastructure as being a major question mark for foreign investors, starting with the telephone project?

[Anan] Infrastructure ... You know, everybody wants to have better infrastructure, but it's easier said than done because it involves sort of huge investments and capital outlay and even if you said go today, you may not see anything until four or five years from now.

We want to develop a more systematic approach. In the past, I think we tended to react to proposals from interested parties. We didn't have a master plan. Perhaps it's now too late to devise one. It was done in a rather ad hoc manner on a piece-by-piece basis. There was no integrated plan and each government agency was given freedom to do its own thing, to do its own act. There was no clear coordination. There was no system in which the proposals could be weighed in a rational and in a detailed manner. And I think in the past, somebody came up to this ministry or that agency ... and then the government just reacted to this proposal or that project instead of thinking among ourselves and determining as to what types of mass transit system we want.

This is something I am trying to correct. Instead of reacting to projects or the proposals by third parties, it's about time that the government stopped to think as to what we really want to do, in which directions we want to move, taking the public interest in mind.

And once we decide on a certain concept, then anybody who wants to bid for that type of project, will get the kind of terms of reference which are clearer.

[Yun] What are you going to do with the projects which you have inherited (from the previous government)?

[Anan] Well, we just have to do our best to get out of a bad situation. We have to honour the contracts or the agreements that the previous government signed. There is no way which we would try to sabotage (the projects) and that's not my intention but knowing what the shortcomings are for each project, we just have to try to iron out the wrinkles.

[Yun] But you will have only six or seven months to go. Are you goig to make clear decisions on these projects before your government goes?

[Anan] Well, we hope that by the time we leave, at least we would have a better idea as to whether these projects could get off the ground.

There is something that the public may not really understand. They think that just because the government signed the contract with such and such a firm, that project is going to happen. It does not work that way. First of all, you have to make sure that the engineering design of that project is workable. And you still have to make sure that the project is bankable.

Now that's not the job of the government. It's the duty of the project owner to raise funds. But it does not mean that just because we signed an agreement with company X, then that project is going to take shape and it's going to be implemented in four years' term or five years' term. It does not work out that way because what you agreed upon was only a piece of paper.

It's my intention that we would have to make extra efforts to get this (infrastructure) sector moving. We are in the process of formulating policy at the BoI. We would highlight areas that we believe should deserve greater attention, focus, from the Thai government as well as from the companies.

[Anan continues] Of course, we will continue to be an export-oriented country. At the same time, I think that in the past the BoI's policies were rather blurred. We only talked about labour-intensive industries and export-oriented industries. They were two large areas to cover. But now we think that we really have to identify more clearly as to which industries we want.

For example, what we have in mind is what we might call a mass transit system, and it could be public utilities. It would be projects concerned with environmental protection. It would be projects which are oriented towards the transfer of technology.

They are not really priorities, but we think we try to identify them to interest the public at large.

[Yun] In that connection, what is the role of the BoI from now on? There is a lot of confusion whether the BoI would continue to...?

[Anan] Well, the BoI's role as a promoter, as a facilitator of industries is still there. Of course in the past, because of the distorted tax regime in Thailand, the tax incentives given by the BoI were practically to "undistort" the tax regime and now, since we have taken up the responsibility in the past five months with all these tax measures we have adopted or are about to adopt. That would go a long way towards "undistorting" the tax regime. So the role that was rather prominent in the BoI scheme of things is going to be less and less important.

Of course there are still certain tax incentives which have to be given by the BoI, but that role, as I said, is not going to be as prominent as it used to be.

For huge projects in the past, one of the tax incentives given by the BoI was to exempt the import duties on machinery. When the level of import duties was in the neighbourhood of 30 and 35 per cent, that exemption was quite significant. But now, we have reduced all import duties of machinery down from 40 to five (per cent).

For small projects, perhaps they don't need that kind of tax incentive any more. But, on the other hand, for certain infrastructure projects, public utilities or mass transit, which involve a capital outlay of billions and billions of baht, an exemption from five per cent down to zero (would make a difference). That would amount to a lot of cash.

So that kind of (tax) incentive is still required.

[Yun] How about the criticism that the emphasis of your government has been placed on businesses, big businesses, industrial complexes, and not enough on environment and rural development?

[Anan] I don't think that's fair criticism. I think our government has done a lot on environmental matters, but the Thai people have a very short memory and sometimes they like to read gossip columns more than serious articles or analytical commentaries.

In the agriculture sector, we are doing things all the time, but the point is that the things that we tried to do or that we have been doing are not sensational things. They are not catching the imagination of the public. You know, newspapers and mass media like to senationalize events. And if you talk about the idea of educational reforms you will find that people are not that interested.

But next month, we are going to have a fairly comprehensive plan on the agricultural side. One of the directives that I am giving is that in future national development plans, the agricultural sector is going to play the primary role. We believe quite strongly while people cherish the idea of Thailand becoming a newly industrialized country, to me, it cannot be denied that industrial achievement has to be based on the agriculture sector. When I talk about agriculture, of course I also include agro industry. We still have 30 million people in the agriculture sector.

[Yun] We are hosting the World Bank-IMF meeting and a lot of interest has been focussed on Thailand as a result. What is the main message you plan to deliver in the meeting?

[Anan] I still have not though much about it. I suppose that one of the things that I have to say is to explain how Thailand is fast becoming a newly industrialized country. (That's) an emerging role of Thailand and I think we intend to play that role in a reasonable manner. We intend to become a player in the international economic system and we want to achieve the status of a regional financial centre.

And I think many of these people know Thailand quite well, but of course there are quite a lot of people who would visit Thailand for the first time as well. That will give an opportunity to introduce Thailand to them.

[Yun] You have personally paid a lot of attention to the arrangement or preparation of the meeting. You have visited the Sirikit Convention Centre. Are you happy with the progress?

[Anan] Yes, I am happy with the physical structure. There are still two or three things which have to be ironed out, but on the whole, it's a rather impressive building and it should function well, barring the traffic jams (laughs). We have already declared that government offices, and schools and banks will be closed during the meeting. We would encourage people to get out of Bangkok during the long weekend.

[Yun] To sum up the performance of the interim government on the economic front and the political front, although you say you are totally non-political in that sense, inevitably people will look at at least the future scenarios following this government's tenure. How would you sum up, in the past five and a half months, your government's work in the economic restructuring and the basic groundwork you have laid down?

[Anan] I think that we have done a lot, and so far, of course, there have been criticisms and some of them are quite valid, and we took those criticisms quite seriously. We are not the whiz kids or wonder boys who can solve all the problems facing the nation. I am sure that when I leave the present job I would still leave many, many problems to the next government (laughs).

But while we are in office, we just continue to do things that we believe to be right for the country, for the people and we hope that all the groundwork that we are trying to lay, be it in the economic field or in the political field, would continue to flourish. [passage omitted]

SRV Vice Foreign Minister on PRC, Cambodia

BK1708015691 Bangkok THE NATION in English 17 Aug 91 pp A1, A2

[Text] In what could be a significant shift from their previous stance of being aloof of the Cambodian peace process, Vietnam and China recently agreed in the latest round of normalization talks that they will cooperate with the international community in finding peace for the war-torn country.

This new gesture of Vietnam, and to a lesser extent Beijing, gave rise to fresh optimism that the upcoming negotiations of the rival Cambodians in the Supreme National Council (SNC) in Phatthaya would see another step towards a comprehensive peace settlement.

Disclosing the Chinese-Vietnamese agreement to get more involved in the search for peace in Cambodia, visiting Vice-Foreign Minister Nguyen Dy Nien, who had just concluded a visit to China, also said that Hanoi would send one of its vice foreign ministers to the Phatthaya meeting between rival Cambodian leaders, scheduled for Aug 26-28 to "observe and facilitate" the new round of the peace talks.

Nien mentioned the points during his call on Foreign Minister Asa Sarasin to brief him on the outcome of the fifth round of open Sino-Vietnamese talks to renormalize their ties held in Beijing.

The Vietnamese minister made a one-night stopover here on his way back from Beijing where he discussed the Cambodian problem with his counterpart, Xu Dunxin.

He informed Asa that both Vietnam and China agreed during the "consultations" that they would help speed up the peace process to bring about a Cambodian solution within the framework drawn up by the five permanent members of the UN Security Council, said Thai Ambassador to Hanoi Suraphong Chaiyanam, who was here to discuss the preparations for Asa's visit to Vietnam.

But, Nien was quoted as telling Asa that the decision on a Cambodian solution would "ultimately" rest with the rival Cambodian parties, the Phnom Penh Government backed by Hanoi, the Khmer Rouge backed by Beijing, the loyalists of internationally-recognized Prince Norodom Sihanouk, and the pro-West but weak group led by former Premier Son Sann.

Nien told Asa, according to Suraphong, who was also present at the meeting, that China and Vietnam had agreed to cooperate with the "international community" to make the forthcoming Cambodian meeting a success.

Apart from a vice foreign minister, Vietnam's Ambassador to Bangkok Nguyen Trung would also be on hand at the Phatthaya meeting to "observe" and "facilitate" the negotiations.

But Nien failed to mention which of the Foreign Ministry's three vice ministers would be in Thailand for the event.

Emerging from the meeting yesterday, Nien did not respond directly to comments on the speculation that Beijing and Hanoi had arrived at a "red solution" for Cambodia—creating apprehension among some ASEAN members and in the West that the two communist countries had a secret deal in favour of their communist proteges at the expense of the other two factions.

In earlier interviews, Prime Minister Anan Panyarachun and Foreign Minister Asa had separately dismissed the possibility. Anan said he believed Vietnam and China would not strike any deal "behind our back." Nien told reporters he and Xu Dunxin had discussed and exchanged views on the Cambodian peace process and agreed that there must be a comprehensive political settlement within the UN peace plan.

His statement yesterday about the two countries' adherence to the framework of the Perm Five seems to confirm the Thai leaders' assessment.

On the question of normalizing ties with China, Nien said both countries had already agreed to "start immediately" to renew their bilateral relations in various fields, such as the air links, telecommunications, trade and investment cooperation. The rail connection between the two countries will follow later, he added.

Beijing and Hanoi agreed to continue their normalization dialogue at the level of deputy foreign minister and Xu would visit Hanoi for the sixth round at Nien's invitation, he said. The date for the new round has yet to be fixed.

Asa yesterday welcomed what he described as the "very positive outcome" of the latest Sino-Vietnamese talks in Beijing and said that Thailand has consistently advocated dialogue between the two socialist countries on the grounds that the normalization talks would help remove obstacles to a Cambodian peace agreement and strengthen peace and stability in the region as a whole, Suraphong said.

Thailand under the interim government of Premier Anan has begun playing the role of a "facilitator" and will continue to cooperate with China and Vietnam as well as the world community in helping resolve the Cambodian conflict, Suraphong quoted Asa as saying.

It also considers Vietnam as having a "constructive role" to play in the issue, the Thai ambassador quoted his minister as saying.

During the meeting, Asa also informed Nien that he had accepted a longstanding invitation from Hanoi and now plans to go on the official visit to that country next month—the first by a Thai foreign minister since confrontation took place between them over the Cambodian issue in late 1978.

Suraphong said he expected the trip to be either in the second or the third week of the month. After that, Asa would proceed to China, accompanying Premier Anan on the official visit which is scheduled to start on Sept 22, Suraphong added.

During Asa's trip to Vietnam, two bilateral draft agreements should be ready for signing by him and the newly-appointed Vietnamese Foreign Minister Nguyen Manh Cam—one on the establishment of a joint commission on bilateral economic cooperation and the other on the promotion and protection of Thai investment in Vietnam, the envoy said.

Minister's Remarks on Relations

BK1808095191 Bangkok Radio Thailand Network in English 0000 GMT 18 Aug 91

[Text] Vietnam's Deputy Foreign Minister Vu Khoan has confirmed his country still attaches great importance to improvement of Thai-Vietnamese relations. The Thai Embassy in Hanoi quoted Mr. Khoan as telling a group of Thai student officers from the National Defense college, now on a 3-day study trip to Vietnam, that his country underlined an open foreign policy in order to get foreign assistance and support for its investment. Foreign investments in the Indochinese state now totalled two billion dollars.

In his [word indistinct] on Vietnam's new policy after the government change, Mr. Khoan said Vietnam wants to be a member of the Association of Southeast Asian Nations, and in order to create an atmosphere conducive to the establishment of such relations, Mr Khoan said Vietnam has adopted a policy to withdraw its troops from Cambodia and to reduce the number of its active officers in the Armed Forces.

Asked for Thai-Vietnamese relations, the report quoted Mr. Khoan as saying that the door has been opened between the two countries and both sides are cooperating in several fields. He, however, remarked that bilateral problems still exit in such a field as fisheries and that Vietnam was ready to tackle some of those problems, including the exclusive economic zone.

Agreement Signed With Laos on Border Committee

BK1708142291 Bangkok Radio Thailand Network in Thai 1200 GMT 17 Aug 91

[Text] Foreign Minister Asa Sarasin granted an interview to newsmen after signing the agreement with Laos today to set up a Thai-Lao General Border Committee. The ceremony was held at the Dusit Resort Hotel in Cha-am District, Phet Buri Province. The foreign minister said the agreement would enable Thailand and Laos to have a mechanism for cooperation at national level. The General Border Committee will be cochaired by the Thai supreme commander and the Lao defense minister.

The foreign minister reported that discussions at the current meeting of the joint Thai-Lao commission covered bilateral relations. The lifting of monopoly for the transit of goods to and from Laos will reduce transport fees for Laos. Thailand also agreed to reduce import duties on farm products from Laos in a bid to boost economic cooperation between the two countries. Thailand will assist Laos in technical knowhow training. In the areas of culture and tourism, both sides will emphasize on cooperation to protect the environment.

On narcotics, the foreign minister said they will coordinate efforts in prevention, suppression, and especially in the exchange of information to combat narcotics trafficking. On refugees, the meeting saw a need to coordinate work with the United Nations High Commissioner for Refugees.

The next meeting of the joint Thai-Lao commission is planned in Vientiane in the middle of 1992.

Vietnam

Do Muoi Receives U.S. Senator John Kerry

BK1708150091 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 17 Aug 91

[Text] On the afternoon of 17 August Comrade Do Muoi, general secretary of the party Central Committee, received U.S. Senator John Kerry and his entourage who are currently on a visit to Vietnam.

Senator John Kerry highly appreciated Vietnam's humanitarian policy, good-will attitude, and effective cooperation in the search for American servicemen reported missing in action. He expressed the hope that relations between the two countries will soon be improved, including the lifting of the embargo against Vietnam.

General Secretary Do Muoi welcomed Senator Kerry's visit to Vietnam and expressed the hope that this visit will contribute to promoting mutual understanding between the peoples of the two countries, as well as to accelerating the process of normalization of relations between Vietnam and the United states.

The reception proceeded in an atmosphere of friendship and openness.

Hawaiian Airline Flies Emigrants to U.S.

BK1808104391 Hanoi VNA in English 0600 GMT 18 Aug 91

[Text] Hanoi VNA August 18—A DC-8 of Hawaiian Airlines of the United States left Tan Son Nhat Airport of Ho Chi Minh City on August 16 carrying 204 Vietnamese emigrants to the United States under the H.O. [Humanitarian Operation] Programme.

The flight was chartered by the International Organization of Migrants (IOM).

The second flight is scheduled on August 19 to carry 204 more Vietnamese.

The Hawaiian Airlines is the second U.S air company allowed to enter Vietnam to take Vietnamese migrants to the United States. The first is the Northwest Airlines, which arrived in Tan Son Nhat Airport in late June to take 380 passengers to the United States and Australia.

Spokesman: Cooperation on 'Boat People'

BK1608150991 Hanoi VNA in English 1508 GMT 16 Aug 91

[Text] Hanoi VNA August 16—"Vietnam always wishes to cooperate with the concerned parties to settle the issue of boat people in Hong Kong", said a spokesman for the Foreign Ministry today.

He was answering a question by VIETNAM NEWS AGENCY on foreign news agencies' reports that Vietnam adjourns sine die its exchange of views in Geneva with Britain, the United Nations High Commissioner for Refugees, and the International Organization of Migration (IOM) on the boat people issue.

The spokesman said:

"In that spirit, Vietnam will continue to maintain its contacts with Britain to exchange views aimed at finding a realistic solution acceptable to both sides."

Hanoi Reports on Gorbachev's Ouster

BK1908104491 Hong Kong AFP in English 1034 GMT 19 Aug 91

[Text] Hanoi, Aug 19 (AFP)—Vietnam, which has resisted the torrent of democratic change unleased by Mikhail Gorbachev, was silent Monday on his ouster as president of the Soviet Union.

Official Vietnamese radio reported simply that Gorbachev had "resigned" as leader of Hanoi's most important ally, giving no details.

But Gorbachev's replacement by Vice President Gennadiy Yanayev, a conservative, was not expected to upset Vietnam's leadership, observers here said.

Vietnam's communist leaders, who reaffirmed in June their commitment to socialism, have made no secret of their distaste for the democracy movements that have transformed the Soviet Union and Eastern Europe since Mr. Gorbachev came to power.

A source close to the Vietnamese leadership, however, expressed concern that Gorbachev's ouster could further undermine the stability of the Soviet Union.

"If he has been arrested, then that's serious," the source said. "What we really fear is civil war."

Moves toward democracy, coupled with the economic crisis that has forced Moscow to cut its aid to Hanoi sharply over the past year, have eroded the Soviet Union's longtime position as Vietnam's most important ally.

In the past, Moscow has notably backed Vietnam's position in the Cambodian conflict, which flared when Vietnamese troops invaded Cambodia in 1978 to oust an aggressive Chinese-supported Khmer Rouge Government.

Soviet aid to Hanoi, estimated by Western sources at two billion dollars a year, has been crucial to Vietnam, which is largely blocked from trading with the West by a U.S.-led embargo.

Moscow sharply cut its aid in the past year, however, and in January began requiring payment in hard currency at market prices for goods previously provided on a barter basis or at concessionary cost.

The Soviet Union also began last year a partial pullout from Cam Ranh Bay, a U.S.-built naval base in southern Vietnam, according to Soviet officials. U.S. experts have described Cam Ranh as the Soviet military's largest sea-air base outside the Soviet Union.

PRC Says More Could Be Done on Cambodia

BK1808044191 Bangkok THE NATION in English 18 Aug 91 pp A1, A2

[Analysis by THE NATION's Regional Desk: "VN Moving Too Slowly for China"]

[Text] China still feels that Vietnam can do more to help bring about an early settlement of the Cambodian problem even though the new leadership in Hanoi has edged closer to a UN pece plan for Cambodia.

That was how Chinese diplomats privately reacted to the outcome of the latest round of normalization negotiations between Vice Vietnamese Foreign Minister Nguyen Dy Nien and his Chinese counterpart Xu Dunxin in Beijing, diplomatic sources told THE NATION.

"The Chinese said that the Vietnamese have become more cooperative than ever but Beijing is not as yet fully content with the level of cooperation on the part of Hanoi," said one diplomatic source who asked not to be identified.

Nien was here in Bangkok last Friday during a stopover on his way back from Beijing to brief Thai Foreign Minister Asa Sarasin on the results of the fifth round of Sino-Vietnamese normalization talks.

The agreement he concluded with Xu on Cambodia was unquestionably positive—Vietnam agreed in principle to cooperate with the international community in the search for a quick settlement of the Cambodian conflict on the basis of a comprehensive peace framework drawn up by the five permanent UN Security Council members. (The framework is often referred to as the P-5 plan.)

Previously, Hanoi had stood frim that it had nothing to do with the Cambodian issue following the unilateral withrawal of Vietnamese troops from Cambodia a few years ago and that the issue should be left to the Cambodian factions to resolve among themselves. It had also refused to accept the P-5 plan as the basis for a comprehensive peace settlement.

But on the other hand, Vietnam's support for the P-5 plan was not absolute, at least for now.

In his talks with Xu, Nien reportedly opposed a clause in the P-5 peace plan requiring that all the rival Cambodian forces would be reorganized and disarmed. He also qualified Vietnam's support for the peace plan with the principle that Cambodia's sovereignty must be observed in accordance with an article in the UN Charter prohibiting interference in a sovereign state's affairs.

As a result, diplomatic sources believe that the upcoming round of peace talks between rival Cambodian leaders in the Supreme National Council (SNC) in Phatthaya late this month would make no dramatic headway.

Three major issues have been left over from the previous peace talks of the SNC members under Norodom Sihanouk, first in Phatthaya when the prince was named "convener" of SNC meetings and Khmer Rouge leader Khieu Samphan and his Phnom Penh counterpart Hun Sen put aside their past hostility and then in Beijing this month when Sihanouk was officially recognized as SNC chairman.

The SNC members have also agreed in principle that the UN would have a role in monitoring the voluntary ceasefire and cessation of foreign arms supplies to the warring Cambodian factions.

The remaining issues are the relations between the SNC and the UN Transitional Authority in Cambodia, envisaged under the P-5 plan as a neutral body to run the country during the period leading to the election, and the military arrangement on the basis of the P-5 plan.

But [as] a result of Hanoi's latest stance in Beijing, it is hardly conceivable that the SNC members would be able to iron out the toughest difference among them—the military arrangement, diplomatic sources said.

"Perhaps at the Phatthaya meeting, the SNC members would follow up on the agreement for the UN role in the monitoring of the ceasefire and a halt to foreign arms supply by defining it in detail. Other achievements at the upcoming meeting would be modest," one official analyst predicts.

Thai officials have also dismissed the speculation that China and Hanoi would strike a deal behind the backs of ASEAN and the West to impose a "red solution" on Cambodia.

"China does not have such a parochial outlook because as a power it has to assert itself as a leading, credible player in the Pacific region, particularly at this time when the Soviet Union is beleaguered with problems at home and its position in the world is slipping," one analyst said.

With this strategic view in mind, Beijing is very interested in sending an observer to the Kuala Lumpur meeting between ASEAN foreign ministers and their counterparts from the dialogue partners. China is also very much interested in joining the Asia Pacific Economic Cooperation forum (APEC).

There are two aspects to China's posture towards Vietnam, according to one official analyst.

Firstly, China welcomes the normalization of its ties with Vietnam because it would also be in its interest as leader of the socialist states in Asia, namely Vientam and North Korea, particularly so following the crumbling of socialism in the Soviet Union and East Europe.

"Secondly, the Chinese have a long memory about the hot and cold relations with Vietnam. They would not forget them easily and would deliver some lessons to Vietnam in exchange for normalization," the official analyst said.

Despite the normalization, the official analyst said, the relations between the two socialist states, which are coming full cycle from friend to foe and then from foe to friend, would never be as close as "lips and teeth" (a Vietnamese saying) as was the case in the past.

Beijing is also aware that it has no greater leverage on Vietnam than that country's dilemma brought about by the unexpected turmoil, in the Soviet Union and East Europe which abruptly ended the massive assistance from that camp to Vietnam.

Vietnam's failure to woo the United States, Japan and the European Community to replace the Soviet Union and Eastern European nations as the main aid donors in the past three years have also forced Hanoi to make peace with its former adversary.

"They are making a virtue out of necessity," commented a diplomatic source who added that Western and ASEAN diplomats in Hanoi concurred with him and the Chinese on this assessment.

Vietnam had to pay a high price for turning to China—the removal of those in the top party hierarchy and the Cabinet who were closely identified with a party faction led by the late secreatary general Le Duan and another influential party power broker Le Duc Tho, who died last year.

At the 7th party congress in June, three prominent figures closely associated with Le Duc Tho "retired" from their Politburo posts along with reformist leader Nguyen Vanh Linh, who also resigned as party secretary general in the exchange. The trio are Mai Chi Tho, who is Le Duc Tho's brother, Nguyen Duc Tam, who is Tho's cousin, and Nguyen Co Thach, who reached the zenith in the Politburo and his foreign service career with Le Duc Tho's support.

"It was one for three at the party congress," noted the official analyst.

At the National Assembly about one week ago, Mai Chi Tho and Nguyen Co Thach also lost their powerful interior and foreign portfolios respectively. Nguyen

Manh Cam, who was ambassador to Moscow, was picked by the party to succeed Thach despite Thach's support for Vu Khoan, one of his deputies, to fill the post. Tran Quang Co, another deputy, had reportedly withdrawn from the race. Mai Chi Tho, meanwhile, was succeeded by Lt Gen Bui Thien Ngo, who ranks No 9 in the new 13-member Politburo.

In the past 12-13 years until the latest leadership shake-up, the Le Duan-Le Duc Tho group dominated the party platform of siding with Moscow in the Soviet Union's rivalry with China and the military adventure into Cambodia in December 1978.

In fact, Thach tried to adjust the foreign policy strategy a few years ago following the changes in the Soviet Union by initiating the unilateral withdrawal of Vietnamese troops from Cambodia in a bid to normalize ties with Washington, and break the economic isolation by others, particularly Japan and the EC.

What he expected from the US-Vietnamese normalization was not direct US investment which would be minimal because US technology would have been too sophisticated for Vietnam's dilapidated economy.

Rather it was loans from the International Monetary Fund (IMF) and the Asian Development Bank (ADB) which are very much needed by Vietnam in the absence of the generous Soviet aid.

But Washington disappointed Thach by retaining the embargo and instead came up with the so-called road map plan which outlines step-by-step improvement in bilateral ties in return for progress in the Cambodian negotiations and on the MIA issue.

Japan has also ignored Thach's olive branch, with the excuse that it had to follow the US lead.

Diplomatic sources in Hanoi, however, said the Japanese hestitation resulted more from the unhealthy investment conditions in Vietnam, including the lack of infrastructure, a harmonized tax regime, a standard legal system and regionalism.

For EC, its interest in Indochina has waned and shifted to Eastern Europe instead, probably with the exception of France, which is seeking to revive its "past glory" in the region, the diplomatic sources said.

At their meeting with ASEAN foreign ministers in Kuala Lumpur last month, the EC ministers also agreed that they will not accredit their ambassadors to SNC at least until a peace agreement for the country is inked at the Paris International Conference on Cambodia, the sources said.

Against this backdrop, the new Vietnamese leadership mentioned in party documents from the 7th congress the policy to maintain relations with the Soviet Union despite bitter complaints in Hanoi for being let down; complained about the embargo on IMF-ADB loans to Vietnam; mentioned its policy of restoring normal ties with China, etc.

"It appears to me that Vietnam is caught in a dilemma of sorts, not knowing what to do next," a diplomatic source said.

As a result, Nguen Van Linh, Do Muoi and some other Vietnamese leaders made a quiet visit to China for crucial talks last September which were believed to have led to Phnom Penh's eventual recognition of Prince Sihanouk as the SNC leader. The crucial meeting was later followed by the secret visit to China by Le Duc Anh, and then Nien's follow-up trip.

Nong Duc Manh Visits Chinese Language Institute

BK1708130691 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 5 Aug 91

[Text] On 4 August a National Assembly delegation led by Comrade Nong Duc Manh, member of the party Central Committee Politburo and vice chairman of the National Assembly Nationalities Council, paid a working visit to the Chinese Lanaguage Research Institute. Also accompanying the delegation were Comrade Dam Quang Trung, chairman of the Council of State and chairman of the National Assembly Nationalities Council; and Comrade Tran Do, head of the National Assembly Culture and Education Committee.

Professor Phan Van Cac, director of the Chinese Language Research Institute, briefed the National Assembly deputies on the situation and activities of the institute over the past years. The National Assembly deputies visited the place where ancient official documents are preserved. These include documents in Chinese characters, Vietnamese hieroglyph, and the Sanskrit language; script in stone slabs; ancient books of various dynasties; and some valuable works of Tran Hung Dao and Nguyen Trai [national heroes] and Nguyen Du and Hai Thuong Lan Ong [renowned Vietnamese poets].

The National Assembly deputies highly appreciated the initial efforts of professors, assistant professors, and cadres responsible for the research and collection of valuable ancient documents to help further enrich Vietnam's national culture.

Delegation of Chinese Scholars Visits

BK1808101891 Hanoi VNA in English 0554 GMT 18 Aug 91

[Text] Hanoi VNA August 18—A group of scholars from the Modern International Relations Research Institute attached to the State Council of China has visited Vietnam as guest of the International Relations Institute of Vietnam's Foreign Ministry.

While here, the Chinese scholars had open and friendly exchanges of views with the host institute, the party

Central Committee's Commission for Culture and Ideology, the Institute of Social Science, the Nguyen Ai Quoc Institute, the Institute of Economic Management, and the Arts and Letters Review, and toured some economic and cultural establishments.

They paid tribute to President Ho Chi Minh at his mausoleum and visited the Ho Chi Minh Museum.

On August 12, they were received by Vu Khoan, member of the party Central Committee and deputy foreign minister.

The Chinese scholars also visited Ho Chi Minh City.

DPRK News Conference on Nuclear Free Zone

BK1908070991 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 3 Aug 91

[Text] This morning, the representative of the DPRK Embassy held a press conference in Hanoi to introduce the statement of DPRK Ministry of Foreign Affairs on turning the Korean peninsula into a nuclear-free zone.

Representatives of the party Foreign Relations Department, the Ministry of Foreign Affairs, and a number of representatives of central and Hanoi press agencies attended the conference.

The DPRK embassy representative stated that at present, there are about 1,720 nuclear weapons stored in South Korea. The Korean peninsula is becoming a global target area because of this large number of nuclear weapons.

The DPRK Government, based on its noble aspiration to eliminate the danger of a nuclear war in the Korean peninsula and to contribute to a permanent peace in Korea, Asia, and the world, has proposed many peace initiatives to build a nuclear free zone in the Korean peninsula. The current situation is now ripe for such action.

The DPRK Government suggests that North and South Korea agree on creating a nuclear free zone in the Korean peninsula and issue a joint communique on this matter.

U.S. and nuclear weapons countries close to the Korean peninsula should guarantee the nuclear-free status of the Korean peninsula.

The non-nuclear weapon countries in Asia should support and respect turning the Korean peninsula to a nuclear-free zone.

Paper Views ASEAN Concern Over Security

BK1708143491 Hanoi Voice of Vietnam in English 1000 GMT 7 Aug 91

["Excerpts" from 7 August NHAN DAN commentary on ASEAN security]

[Text] The issue of security has been a concern of ASEAN. This is the theme of a commentary run by the national daily NHAN DAN on Wednesday [7 August]. Here are excerpts from that commentary:

The fast and great changes in international and regional situations are causing both favorable conditions as well as challenges to ASEAN and Southeast Asia as a whole.

In Southeast Asia, the talks to find a political solution to the Cambodian conflict is entering the final stage. A negotiated solution to the 12-year-old conflict is expected to contribute establishing a zone of peace, security, and cooperation in Southeast Asia. However, many problems have cropped up in the so-called post Cambodia period. These problems included the maintenance of considerable military presence in this region despite the U.S. pullout.

Japan is stepping up its program for military modernization as a basis for economic expansion. It has deployed military forces to control a sea area 1,000 nautical miles long, reaching the waters of some ASEAN countries, and try to assert its role in what it calls regional security cooperation in Southeast Asia.

The Soviet Union, for its part, has withdrawn part of its military forces from Southeast Asia. Meanwhile, some countries outside this region are demonstrating their calculations for their arms and acts in the region.

In face of this situation, the regional countries are contemplating a future shape of relations in Southeast Asia in a post-Cambodia era. People wonder whether a strategic balance can be achieved in conformity with peace and security in Southeast Asia, or in the interests of big countries outside this region.

So far, the ASEAN countries are showing cautions to proposals made by some big countries outside this region on regional security. ASEAN's primary goal is to promote economic growth, which requires regional peace and stability. The ASEAN countries do not want their organization to become a military bloc. At the new juncture, the ASEAN countries are diversifying their relations with other countries in Southeast Asia and the rest of the world. This could be seen in the ASEAN's invitation of the Soviet Union and China to the recent ASEAN meeting in Kuala Lumpur, despite unfavorable comments from some countries.

According to the ASEAN countries, an important factor to maintain regional peace and security is to abide by the principle of ZOPFAN, Zone of Peace, Friendship and Neutrality.

Amid the ASEAN meeting in Kuala Lumpur, some of the allies of the U.S., particularly Japan and South Korea, argued that U.S. military presence is indispensable to regional security [words indistinct] that regional security could be strengthened on the basis of the ZOPFAN concept to build bilateral treaties among the ASEAN countries.

The ZOPFAN concept as well as the proposal made by the three Indochinese countries on a Southeast Asia of peace, security, and cooperation provide the basis fore dialogue among the regional countries for a Southeast Asia of stable peace and security and economic development in the interests of regional peoples.

Thailand's Asa Receives Deputy Foreign Minister

BK1608154391 Hanoi VNA in English 1513 GMT 16 Aug 91

[Text] Hanoi VNA August 16—Thai Foreign Minister Asa Sarasin received in Bangkok today Vietnamese Deputy Foreign Minister Nguyen Dy Nien who was on his way home from China.

The two sides exchanged views on matters of common concern and discussed measures to promote the friendship and cooperation between Vietnam and Thailand. The Thai foreign minister appreciated Vietnam's present foreign policy and expressed the wish to visit Vietnam at an early date so as to contribute to further strengthening the relations between the two countries.

Also at this meeting, the two diplomats exchanged views on the recent important progress in the negotiations on an overall political solution to the Cambodia issue. The two sides expressed their wishes that this process will soon lead to an overall political solution to the Cambodia issue on the basis of the framework document of the five permanent members of the UN Security Council and in conformity with the Cambodian people's sovereignty and the UN charter.

Vietnamese Ambassador to Thailand Nguyen Trung and Thai Ambassador to Vietnam Surapong Jayanama were present at the meeting.

VNA Reports Visit of Thai Military Delegation

BK1708163191 Hanoi VNA in English 1526 GMT 17 Aug 91

[Text] Hanoi VNA August 17—A delegation of the National Defence College of Thailand led by General Sirintha Thupklam, director, visited Vietnam from August 14-17, as guest of the Military Institute of the Vietnam People's Army.

After its arrival in Hanoi, the Thai delegation had an exchange of views with a delegation of the host institute led by Lieutenant-General Do Trinh, director of the institute. Present on this occasion were Chaisak Uthenpong, Thai charge d affaires a.i to Vietnam, and some high-ranking officials of Vietnam's ministries of defence and foreign affairs.

On August 15, the Thai guests were received by Gen. Doan Khue, who expressed his hope that the visit would contribute to consolidating the friendly and cooperative relations between the two countries and armies for the sake of stability, peace, prosperity and development of both countries and the region at large.

For his part, Gen. Thupklam expressed his delegation's joy at its first Vietnam visit. He said he believed that the Vietnam People's Army would obtain new successes in the countrys current renovation process.

The delegation was also received by Vu Khoan, deputy foreign minister.

While in Hanoi, the guests paid tribute to President Ho Chi Minh at his mausoleum and visited the museum of the Army.

On august 15, the Thai delegation left Hanoi for Ho Chi Minh city.

While there the delegation called at the seventh military zone. This morning it was received at the Thong Nhat conference hall by Pham Chanh Truc, vice mayor of the city.

At the reception, Pham Chanh Truc said that the city wished to have all-sided cooperation with Thailand, and hoped that following the visit the cooperation between Vietnam and Thailand would further develop.

For his part Gen. Thupklam said he wished that the cooperation between Vietnam and Thailand would be further promoted, thus contributing to peace, independence and freedom in the region.

Vo Van Kiet Receives Malaysian Trade Minister

BK1708162191 Hanoi VNA in English 1507 GMT 17 Aug 91

[Text] Hanoi VNA Aug.17—Chairman of the Council of Ministers Vo Van Kiet received here today Malaysian Minister of Trade and Industry Mrs Rafidah Aziz who is on a current visit to Vietnam.

Mrs. Rafidah Aziz conveyed the Malaysian prime minister's congratulations to the new chairman of the Council of Ministers. She informed Chairman Vo Van Kiet on the results of her working sessions with Minister of Trade and Tourism Le Van Triet and a number of Vietnamese offices concerned on the commercial and economic cooperation between Vietnam and Malaysia. She affirmed that Malaysia was prepared to cooperate with Vietnam in various fields.

For his part, Chairman Vo Van Kiet thanked the Malaysian prime minister for his congratulations, and welcomed the Malaysian approval of Vietnam's foreign investment protection agreement on economic and commercial cooperation between the two countries in the coming period. He wished that the trade and economic cooperation between the two countries would be further developed on the basis of equality, mutual benefit and respect for each other's sovereignty, and in the interest of peace, stability and development in the region.

Malaysian Ambassador to Vietnam N. Parameswaran was present on this ocasion.

Vo Van Kiet Receives Greetings From Leaders

BK1808151391 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 15 Aug 91

[Text] Comrade Yon Hyong-muk, premier of the Government of Democratic People's Republic of Korea, has sent a message of greetings to Comrade Vo Van Kiet on the occasion of his election as chairman of the Council of Ministers of the Socialist Republic of Vietnam [SRV].

President Suharto of the Republic of Indonesia sent the following message of greetings to Vo Van Kiet, chairman of the Council of Ministers:

Together with the Government and people of Indonesia, I would like to extend my hearty greetings to Your Excellency on the occasion of your election as prime minister of the SRV. I believe that under your leadership, the exceptionally good relations and cooperation of mutual benefit between Vietnam and Indonesia will be strengthened further next year.

His Excellency Toshiki Kaifu, prime minister of Japan, has sent a message of greetings to Vo Van Kiet, chairman of the Council of Ministers. The following is the content of the message:

I would like to extend my hearty greetings to Your Excellency on your election as chairman of the Council of Ministers of the SRV. I hope that friendly relations will be increasingly consolidated on the basis of mutual trust and understanding between Japan and Vietnam—two countries in Asia.

Prime Minister Fazl Haq Khaliqyar of the Republic of Afghanistan has sent a message of greetings to Comrade Vo Van Kiet. The messaage reads in part as follows:

I believe that in Your Excellency's term of office, the friendly relations and all-round cooperation between our two countries and peoples will expand and be strenghtened further in the interests of the two countries and for the sake of peace and stability in the region and the world.

We believe that under Your Excellency's clear-sighted leadership, the Vietnamese people will achieve great success in implementing the strategy of economic stabilization and development up to the year 2000.

Mr. Martens, prime minister of the Belgian Government, has sent the following message of greetings to Comrade Vo Van Kiet:

On the occasion of your appointment as chairman of the Council of Ministers of the SRV, I would like to extend my sincere greetings to Your Excellency, and wish Your Excellency success in your noble duty.

The message of greetings from Comrade Dashiyn Bayambasuren, prime minister of the Government of the Mongolian People's Republic, reads in part as follows:

I would like to express my belief that the friendly relations and cooperation of mutual benefit between our two countries will continue to be consolidated and developed.

Dimitur Popov, chairman of the Council of Ministers of the Republic of Bulgaria, has also sent a message of greetings to Comrade Vo Van Kiet on the occasion of his election as chairman of the Council of Ministers.

Congratulations Extended to New Lao Leaders

BK1708151491 Hanoi VNA in English 1514 GMT 17 Aug 91

[Text] Hanoi VNA Aug 17—Vietnamese leaders yesterday extended congratulations to Kaysone Phomvihan on his election as president, and Khamtay Siphandon on his appointment as prime minister of Laos.

In his message to President Kaysone Phomvihan, president of the State Council Vo Chi Cong expressed his belief that in the light of the 5th Congress of the Lao People's Revolutionary Party and of the first Constitution recently adopted by the Lao Supreme People's Assembly, the Lao people would make Laos a nation of peace, independence, unity, democracy and prosperity.

Chairman of the Council of Ministers Vo Van Kiet's message expressed his belief that Prime Minister Siphandon, together with other Lao party and state leaders, would promote all the Lao people's capability and enthusiasm to successfully implement the resolution of the Lao Party's 5th Congress.

The Vietnamese leaders also wished for further consolidation and development of the great friendship, special solidarity and all-sided cooperation between the two countries.

Officials Attend Afghan Independence Day Fete

BK1708070891 Hanoi VNA in English 0634 GMT 17 Aug 91

[Text] Hanoi VNA Aug. 18—A meeting to mark the 72nd Independence Day (August 19) of the Republic of Afghanistan was jointly sponsored here on August 15 by the Vietnam Union of Peace, Solidarity and Friendship Organizations, the Vietnam-Afghanistan Friendship Association, the Hanoi Fatherland Front Committee, and the Afghan Embassy in Hanoi.

Present were Nguyen Canh Dinh, member of the Communist Party of Vietnam Central Committee, Minister of Water Resources and President of the Vietnam-Afghanistan Association Prof. Pham Khac Quang, Chairman of the Hanoi Fatherland Front Committee Phan Van Chuong, secretary general of the union of peace, solidarity and friendship organizations, and representatives of the party Central Committee's International Department, the Foreign Ministry, and others.

Afghan Ambassador Muhammad Isma'il Mashhur was present.

In his commemorative speech, Prof Pham Khac Quang voiced the Vietnamese people's support for the peace initiatives and national reconciliation policy of Afghanistan.

He expressed the firm belief that the Afghan people under the leadership of President Najibullah will win new successes in their just struggle.

Speaking on the occasion, Ambassador M.I. Mashhur reaffirmed the consistent stance of the Afghan Republic to settle the Afghan question by political means in line with the initiative of the UN general secretary and the national reconciliation policy.

Overseas Vietnamese Increase Visits to Country

BK1708161791 Hanoi VNA in English 1442 GMT 17 Aug 91

[Text] Hanoi VNA August 17—In the first half of this year, some 30,000 overseas Vietnamese from all over the world made visits to their native country. Of them 20,000 came from Australia, representing 20 percent to the Vietnamese community in that country and almost the same level as in the first of last year.

The Central Overseas Vietnamese Commission reported that in the same period the overseas' remittances amounted to 25 million U.S. dollars.

Many overseas Vietnamese are cooperating with foreign countries or acting as agents in investing in the country. In the first six months of 1991, 17 more companies of overseas Vietnamese applied to open their representative offices in the country.

So far, 85 overseas Vietnamese intellectuals in various countries have registered to participate in the un-sponsored programme TOKTEN (Transfer of Knowledge Through Expatriate Nationals). Six are cooperating with their colleagues in the country in the transfer of technologies.

Several Vietnamese expatriates in the United States and France have sent money as relief to the victims of floods that struck the northern boder provinces of Lai Chau and Son La in late last month.

Sea Product Export-Import Company Profitable

BK1708071491 Hanoi VNA in English 0642 GMT 17 Aug 91

[Text] Hanoi VNA Aug. 17—From a small coastal shipping company with almost no state-provided capital or material and personnel bases four years ago, the Sea Product Export-Import Corporation (Seaprodex) now has trade relations with more than 20 companies from Hong Kong, Japan, Australia, France, Switzerland, Singapore and grossed an annual turnover of USD 13 million, 96.38 percent of which are from export.

Investment in facilities and joint ventures in rearing and exploiting seafood products for export are the first concern. In mid-1988, the first ship named Seaprodex 02 was bought with a loan granted by the Taiyo Fishery Company, Japan. It cost 4.6 million dollars and had a tonnage of 1,350 tonnes including 600 tonnes of cold storage. This ship, the first modern freezing facility in Vietnam annually brings in more than USD 1 million in transport fees for Seaprodex.

Effective operation of the ship has enabled Seaprodex to provide itself with three more ships, which have raised it total carrying capacity to 3,500 tonnes. Besides, Seaprodex has entered into joint ventures with Nha Be suburban district of Ho Chi Minh City and Marine Product Research Institute in building a prawn farm with an annual capacity of 5 million spawns a year, with Cu Chi, Nha Be and Binh Chanh Districts and Binh Thanh Precinct in rearing single-crop shrimp on 20,000 hectares of water surface. Seafood products from these joint ventures have accounted for 20 percent of the total cargo volume of Seaprodex.

Council of Ministers Decision on Economic Zone

BK1808102891 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 9 Aug 91

[Text] The Council of Ministers Chairman on 3 August issued a decision approving the project to build the La Lau-Gia Mo new economic zone in Chi Kong District, Gia Lai-Cong Tum Province.

The project covers a natural land area of 23,500 hectares. During the 1991-95 period, about 1,560 hectares of virgin land will be reclaimed in Yen Lau village for planting rice, short- and long-term industrial crops, and subsidiary food crops.

Aside from funds mobilized from joint ventures, credits, investments, international aid, and the people's money, the state also provided this new economic zone with 4.5 billion dong for the 1991-95 period.

The first construction stage of this project will be completed in five years, counting from the fourth quarter this year.

Columnist: Less Authoritarianism, More Debate

BK1708063491 Bangkok BANGKOK POST in English 17 Aug 91 p 4

[From the "Eye on Indochina" column by Jacques Bekaert: "VN Must Come to Terms With Reality"]

[Text] A congress and a government. Vietnam saw a lot of political action during the past few weeks. Now is the time to go back to work and face one of the most—if not the most—serious economic crises since the end of the war.

Vietnam needs funds, Vietnam needs a new international market, Vietnam needs jobs. Delegates attending the Seventh Congress of the Communist Party of Vietnam in Hanoi last June could not agree on the party's proposed economic platform, and did not endorse its political report. But everybody now seems to agree that economic reforms are more necessary than ever, that this is the last chance for the party to bring the country into the mainstream of the 20th century, and to prove that some form of socialism is compatible with prosperity.

From a political point of view, the big challenge for Mr Do Muoi and his friends in the Central Committee will be to move away from the authoritiarian brand of socialism they favoured in the past, and adopt a gentler, kinder administration which relies less on suspicion and police work, and more on free debates and greater trust in the intellectual resources of the Vietnamese population.

Some of the original ideals are worth keeping alive as a kind of utopian guidance. There is certainly nothing wrong with the concept of a fair, equal and just society. There is a lot in Karl Marx's writing that is worth studying, but that should never again make him a kind of guru who knew everything and had a solution for everything.

It is also the time to clear Vietnam's political language of its, past automatism. Language and words are never innocent. Like in most other so-called communist nations, the political idiom of Vietnam has to come to terms with reality.

Before the congress, a few open letters and petitions were secretly circulated in Vietnam, and TAP CHI CONG SAN (The Communist Review) published last March the text of a discussion between several intellectual personalities about the meaning of communism and Marxism-Leninism today. None of the letters or the debate went further than expressing a few basic ideas that were full of common sense. But they all had in common a simple language, closer to the daily situation of the vast majority of Vietnamese. People could at least relate to the ideas expressed by their authors.

One senior party member told me two years ago, shortly after Poland elected its first non-communist prime minister, that the events had deeply shocked old Vietnamese communists because they were used to reading Polish communist newspapers and were sure that what they read reflected the real situation in Poland.

The Vietnamese press is still full of this kind of rhetoric, highly ritualised but low in substance. Whenever you read a sentence that starts with the words "The Vietnamse people unanimously support" this or that, you know that nobody has asked the people for their opinions. This may sound abstract and irrelevant to a poor nation like Vietnam. But Vietnam is also a nation with a great intellectual history, and it is time to revive it. Vietnam needs ideas, too. And ideas can only blossom in a conducive atmosphere.

Independent political and artistic thinking does not mean the end of the party's dominant role. Vietnam needs stability and somebody has to be in charge. But whoever is in charge must be able to lead, and stop relying on the party's old version of law and order.

The new Politburo, as usual, reflects the various tendencies existing within the party. It is interesting to watch the military members of the Central Committee, three of whom are in the Politburo, namely Le Duc Anh, Doan Khue and Bui Thien Ngo. They have important positions.

Bui Thien Ngo, the new interior minister, is not known as a reformer, and in his speech to the congress, on the 26th of June, he insisted on the need to maintain the party's stability and denounced the "imperialists" who are still conducting what he called "intensive multifaceted subversive attacks" against socialist Vietnam.

As interior minister, his job will not be easy. Maintaining law and order is increasingly difficult in a country where social frustration is growing, where the legitimate desire of a better life soemtimes clashes with the rigidity of some of the old laws and attitudes.

General Doan Khue, the new minister of national defence, also spoke to the congress about the "dark schemes of the war-mongering forces of imperialism," and denounced the "imperialists' tactic" of subverting Vietnam by "peaceful evolution." Of course, some of this rhetoric may be self-serving. The People's Army of Vietnam (PAV) is going through a serious crisis. Almost since its foundation the PAV has been a very special institution in Vietnam. Today the Army is less wanted, less needed. And it faces very serious economic problems.

General Le Duc Anh, the new number two in the Politburo, is the most mysterious of the three military members of the supreme organ of the party. He was not mentioned in the Vietnamese press before 1975, when he was already deputy chief of staff. He was elected to the Central Committee in 1976, and to the Politburo in 1982. He has been political commissar of the 7th Military Region. He played a crucial role in the Vietnamse involvement in Cambodia, and only a few weeks ago went to Peking. Neither the Chinese nor the Vietnmaese have said much about this visit.

The new prime minister, Mr Vo Van Kiet, has been a faithful member of the party, but he has demonstrated his independence while he was secretary of the party in Ho Chi Minh City after 1975. So independent that he was, for awhile, excluded from the Politburo.

He understands the country's economic problems better than most of his colleagues. With the new government, Vo Van Kiet will have to prove his willingness to place pragmatism and realism above voluntarism and dogmatism. Within the present system, he is probably the right man at the right time. A very difficult time, certainly.

Research Program of Chemicals Corps Evaluated

BK1808110091 Hanoi Vietnam Television Network in Vietnamese 1300 GMT 11 Aug 91

[Text] The Vietnam State Science and Technology Commission recently evaluated the results of research program 66-A of the Army Chemicals Corps. This program, which is at the state level, embarks on three major issues such as analyzing, detecting, preventing, and overcoming the consequences of NBC [Nuclear Biological Chemical] weapons used by the enemy.

After five years of research work with a modest rate of expense, scientists in and outside the Army have satisfactorily carried out the program of research on various NBC subjects, such as analyzing toxin, biochemical testing substance, Vietnam's epidemic chart, gas mask, NBC project, losses caused by chemical weapons, and radioactivity.

The NBC research program has also begun to turn out its own products such as M-66A gas mask, [words indistinct], water filters, and sand discharging substance.

The subjects of the NBC program are not only of significance to national defense in wartime, but also contribute to fostering life during peacetime, especially preventing and controlling chemical and nuclear accidents.

Government Approves Desalination Program

BK1808142891 Hanoi VNA in English 1416 GMT 18 Aug 91

[Text] Hanoi VNA August 18—A program of desalination for Ca Mau peninsula which covers about 1.66 million hectares in the southernmost region of the country has received the go-ahead from the government and concerned agencies.

The programme aims to stabilise cultivation in the entire region, help extend the cultivable area and pave the way for multiple cropping and intensive farming in combination nwith the protection and restoration of forests and the prevention of soil and coastal land erosion.

The programme divides the region into eight areas, the largest covering 417,500 hectares and the smallest, 41,800 hectares. Each area will have its own irrigation system.

A desalination project has been drawn up for the coastland central areas as a basis for other projects for the whole region. The project, to be completed in five years, includes the construction of seven of the 11 planned sluices. New canals will be built and existing ones will be dredged to bring water from the Mekong River to the centre of the peninsula where will be installed a conservancy network comprising ditches and small pumping stations. Work will be carried in stages, in the direction of the sea, so that desalination can be completed in one area before it is extended to the next.

The Ministry of Water Resources is responsible for the whole programme while the government will fund the main construction. The local authorities and population are to contribute to the construction of smaller facilities.

Papers Commemorate Aug Revolution Anniversary

BK1908072391 Hanoi VNA in English 0607 GMT 19 Aug 91

[Text] Hanoi VNA August 19—Marking the 46th anniversary of the August Revolution, NHAN DAN newspaper says in its editorial today that the August Revolution was one of the great revolutions in this century.

It points out:

"The August Revolution, with its popularity, ushered in a new era in Vietnam—an era of national independence and socialism. The path of the August Revolution is the one charted by the Communist Party of Vietnam and President Ho Chi Minh, the path on which a slave nation rose up, having smashed the imperialist and feudal rule, eliminated oppression, gained back independence and freedom and built a new abundant and happy life."

NHAN DAN continues: "At a time when the world socialist community is going through a deep and comprehensive crisis, the socialist regime has been abolished in some countries, many communist parties have lost their leading role, and the global revolutionary movement is at the low ebb, the Communist Party of Vietnam reaffirms not only the choice of socialism for the country but also the inevitable success of socialism as the law of historical development. We also affirm the whole value of the August Revolution and the socialist- oriented path of our national revolution. We affirm Marxism-Leninism and President Ho Chi Minh's thought as the single ideological bases and the lodestar of our actions and the Communist Party of Vietnam as the leading force of our country and society."

For its part, the army paper QUAN DOI NHAN DAN says:

"The victorious August Revolution has affirmed the correct choice of our revolutionary path by our party, Uncle Ho and people. Only by travelling on that road, can our country be independent and our people enjoy an abundant and happy life."

It concludes: "At present, to defend the revolutionary gains and our socialist regime born from the August Revolution is a sacred duty and noble responsibility of every patriotic citizen and the entire people. Our Armed Forces take pride in being a reliable and sharp tool in the defence of the revolutionary gains, the social regime and the people. Now, they are becoming a reliable and loyal force of the party, state and people in national defence."

Australia

Hawke: Gorbachev Overthrow Potential 'Tragedy'

BK1908103091 Hong Kong AFP in English 1004 GMT 19 Aug 91

[Text] Canberra, Aug 19 (AFP)—The overthrow of Mikhail Gorbachev will prove tragic if the results of his foreign policy are reversed, Australian Prime Minister Bob Hawke said on Monday.

Hawke told a news conference that Gorbachev was the victim of a conservative coup which the world would judge harshly.

He said that during Gorbachev's six years in power, the Cold War had come to an end, Eastern Europe been liberated and the role of the United Nations strengthened.

"It would be a tragedy for the whole world if those achievements were to be threatened by today's developments in Moscow," Hawke said.

Foreign Minister Gareth Evans warned Australians against travelling to the Soviet Union.

"I think the situation is just so uncertain and potentially dangerous at the moment that it would be most unwise," Evans told ABC [Australian Broadcasting Corporation] radio.

He said he was "alarmed but not surprised" that Gorbachev had been deposed.

"Mr. Gorbachev has been walking on the edge of a precipice now for a good two years with almost weekly predictions of his political demise," Evans said.

"It's a deplorable state of affairs and obviously we in the rest of the world will be reacting accordingly."

Bougainville Rebel Leader Granted Transit Visa

BK1808103291 Hong Kong AFP in English 1024 GMT 18 Aug 91

[Text] Sydney, Aug 18 (AFP)—Australia has granted Bougainville secessionist leader Joseph Kabui a transit visa to attend the next round of peace talks on the strife-torn island later this month, an immigration official said Sunday.

Kabui, chairman of the secessionist government on Bougainville, had accused Australia and Papua New Guinea of denying him a visa to allow his return from Geneva in time for the talks.

But a spokeswoman for the department of immigration said Sunday night the visa was granted Saturday and a cable had been dispatched to Geneva.

Because of the time difference between Canberra and Switzerland, Kabui was obviously not yet aware his visa application had been granted, she said.

In a weekend statement from Geneva, Kabui said the third round of peace talks for Bougainville could be called off if he was unable to return in time.

Kabui was a key negotiator for the Bougainville Revolutionary Army (BRA) in past peace talks in Honiara in January this year and on New Zealand Navy ships last year.

His comments follow the announcement from the commonwealth secretariat late on Friday that the next round of peace talks between Papua New Guinea and secessionists would go ahead on August 26.

Port Moresby originally planned the talks for July 26, but they were postponed when the BRA did not respond to the invitation to take part, and when Kabui travelled to Geneva to present a paper on human rights. The August 26 peace talks would be held under commonwealth auspices, and would be chaired by former New Zealand Governor-General Sir Paul Reeves.

The copper-rich island of Bougainville, about 800km (500 miles) northeast of Port Moresby, was the scene of a secessionist uprising between 1989 and early 1990.

Papua New Guinea withdrew its troops in early 1990 and the BRA declared independence unilaterally in May 1990, but no country has recognised the move.

Wheat Growers in West Plan U.S. Ad Campaign

BK1708043091 Hong Kong AFP in English 0420 GMT 17 Aug 91

[Text] Perth, Australia, Aug 17 (AFP)—Western Australian wheat growers, angered by Washington's grain subsidies policy, are planning a vigorous advertising campaign in America in a bid to gain sympathy from the U.S. public.

The president of the Western Australian Farmers' Federation, Peter Lee, said Saturday that full-page advertisements would be placed in the WASHINGTON POST, THE NEW YORK TIMES and the CHICAGO TRIBUNE in an attempt to win the support of American voters.

Lee said the ads, accusing the United States of stealing Australian markets with susidised wheat, were aimed at the average American, who was largely unaware of the problem.

The ads, headed "Thanks a Lot, Mate!" say: "So why would you want to hurt someone who's a good mate? Helped you out in WWII, Vietnam, even talks the same language (well, almost).

"Don't make it tough for your mates Down Under. Ask your congressman to stop hurting Australian farmers and our economy now."

Lee said he did not expect a backlash from U.S. farmers because the campaign was designed to appeal to the strong moral values of Americans.

"We are saying: 'You're fighting an underdog, you are fighting a friend, not an enemy,'" Lee said.

Australian farmers claim that the U.S. subsidies policy has cost them millions of dollars in recent years.

Feeling is so strong in Western Australia that farmers have blocked motorways and dumped grain at Parliament House and outside the U.S. Consulate here to draw attention to the issue.

One incensed farmer even threatened to turn a bulldozer on Parliament House if other protests failed to produce results.

New Zealand

Prime Minister on Ouster of Soviet President

BK1908085391 Hong Kong AFP in English 0832 GMT 19 Aug 91

[Text] Wellington, Aug 19 (AFP)—Prime Minister Jim Bolger said Monday the crisis in the Soviet Union has the potential to destabilise the world economically and politically.

Soviet President Mikhail Gorbachev was replaced Monday by a ruling committee that includes Vice-President Gennady Yanayev, the defence and KGB chiefs and other hardliners.

Bolger told a press conference the world would be trying to digest the facts. "Clearly this is a major event which could significantly destabilise the world economy and possibly even destabilise it politically if there is any suggestion that this is some takeover by the reactionary forces in the Soviet Union," he said.

Uncertainty over what was happening would have a major impact on global attitudes, Bolger added. "We have a major event outside New Zealand which we will watch with great interest and some concern as to how it might ultimately impact on New Zealand."

Foreign Affairs Minister Don McKinnon said that all along the government had felt that when one man took on 70 years of Soviet history and tried to turn it round there would be forces which would not want to see that happen.

McKinnon said the government had been concerned before Monday's events about trade with the Soviet Union because that country had essentially run out of hard currency. New Zealand financial markets had closed when the news arrived from Moscow.

Solomon Islands

BRA Rebels Jailed for Illegal Arms Possession

BK1908075891 Melbourne Radio Australia in English 0500 GMT 19 Aug 91

[Text] Two members of the Bougainville Revolutionary Army [BRA] have been sentenced by a magistrate court in Solomon Island's capital, Honiara, to 18 months jail after being found guilty of illegal possession of ammunition and a gun. The men, (Simon Kaliharo) and (Glenn Viarus), both from the Panguna area of Bougainville, were arrested in Gizo in Western Province on 25 July.

The court was told the men had in their possession 1,500 rounds of ammunition and .303 rifle. The court said that the men had travelled on an inter-island cargo vessel from Honiara and placed the ammunition and rifle in cardboard boxes and hid among the beds in the crew's quarters.

The men said the ammunition was to be used to protect their families in the light of the troubles on Bougainville. They are both sentenced to 18 months imprisonment. Seven other members of the BRA are currently serving prison sentences ranging from eight to 12 years in Solomon Islands after being found guilty of armed robbery on an island in the Western Province.

Vanuatu

Longest Serving Political Prisoner Freed

BK1908110791 Hong Kong AFP in English 1025 GMT 19 Aug 91

[Text] Port Vila, Aug 19 (AFP)—The South Pacific's longest serving political prisoner, Vanuatu's Jimmy Stevens, was released Monday after 11 years in jail for leading a secessionist rebellion, Radio Vanuatu announed.

The radio said that Prime Minister Father Walter Lini pardoned Stevens as part of the celebrations to mark the 20th anniversary of the ruling Vanua'aku Party.

Stevens, who is at least 70 years old, was jailed for treason after he and his followers tried to set up a breakaway state on the northern island of Espiritu Santo in 1980, the year the Anglo-French condominium gained independence.

It was crushed by Papua New Guinea troops after the French Foreign Legion and British Royal Marines failed to act.

A nurse at the hospital where Stevens was staying said officials from Lini's office visited the prisoner and took him for a meeting with Lini.

The radio said that Lini asked Stevens to remove his blue prison uniform.

In an interview with the radio, Stevens said that his release "did not come as a surprise" because he expected the government would one day release him.

To mark the reconciliation between Lini and Stevens, the ex-prisoner will give the prime minister 20 tusker pigs.

Hogs' tusks are highly prized in Vanuatu and are the national symbol. Animals are doctored to make the tusks in their lower jaws grow unnaturally into complete circles.

Stevens said that finding the animals would "not be a problem."

Stevens—whose real name is Jimmy Tupou Patuntun Stevens and who is reported to have 25 wives and 42 children—led the "bow and arrow" rebellion to set up the state of "Vemarana."

In the early 1960s Stevens founded Vanuatu's first political movement called "Nagriamel" which pressed for the recovery of undeveloped land from colonial planters.

The existence of Nagriamel and the establishment of other political parties were among the factors which led the British and French governments to agree on constitutional reforms in the then New Hebrides.

The Vemarana movement surfaced after Lini's party won 26 of the 39 seats in elections held in 1979 to decide the first independent government.

Activists on Santo and the southern island of Tanna refused to accept the result alleging Vanua'aku poll irregularities.

They declared "independence" of the two islands in February 1980 with Santo being renamed "Vemarana" and Tanna "Tafea," an acronym now used for all the southern islands.

Despite attempts to delay the granting of independence to Vanuatu, including attacks on police posts and looting, independence was declared on July 30.

Further outbreaks of violence resulted in the death of a son of Stevens.

The rebellion on Santo was crushed when Papua New Guinea troops captured the secessionist's headquarters at Fanafo outside Santo town on August 31.

More than 200 rebels, including Stevens, were imprisoned.

More on Release of Secessionist Leader

BK1908080691 Melbourne Radio Australia in English 0500 GMT 19 Aug 91

[Text] In Vanuatu, the leader of the secessionist rebellion on Espiritu Santo and Tanna islands in 1980, Jimmy Stevens, has been released from prison.

Prime Minister Father Walter Lini announced Jimmy Stevens' release during celebrations on Saturday to mark the 20th anniversary of the ruling Vanua'aku Party.

Radio Vanuatu said that according to tradition, supporters of Jimmy Stevens' failed Na-Griamer movement are required to prepare 20 pigs with fully curved tusks to mark his release from prison today. The pigs are to be distributed to local government councils and municipalities.

Just before Vanuatu's independence, the joint administration of Britain and France in 1980, Jimmy Stevens and his supporters declared the Islands of Espiritu Santo and Tanna independent. The rebellion was put down with the aid of troops from Papua New Guinea and Stevens and more than 200 rebels were arrested and jailed.